



Comprehensive Annual Financial Report

For the fiscal year ended
June 30, 1993

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 1993



Terry E. Branstad – *Governor*

Prepared By:

Iowa Department of Revenue and Finance

Gerald D. Bair – *Director*

Iowa Department of Agriculture and Land Stewardship

The mission of the Iowa Department of Agriculture and Land Stewardship is to encourage, promote and advance the interests of agriculture, including livestock, grain, horticulture, dairy, wool, hay and poultry industries, as well as other related agricultural businesses; to administer efficiently and impartially the regulatory, laboratory and inspection service of the state under its supervision for Iowa's consumer protection; to preserve and improve the quality of Iowa's natural resources, its soil and water; to provide financial assistance to beginning farmers needing a variety of loans and guarantees; and to assist in marketing our agricultural production.



TABLE OF CONTENTS

INTRODUCTORY

Transmittal Letter	II
Iowa Organization Structure	XVI
Principal Officials	XVII

FINANCIAL

INDEPENDENT AUDITOR'S REPORT	2
--	---

GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Balance Sheet - All Fund Types and Account Groups	6
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds	8
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary Basis - General Fund and Special Revenue Funds	9
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types and Similar Trust Funds	11
Combined Statement of Cash Flows - All Proprietary Fund Types and Nonexpendable Trust Funds	12
Combined Statement of Changes in Fund Balances - University Funds	14
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - University Funds	16
Notes to the Financial Statements	17

COMBINING FINANCIAL STATEMENTS AND SCHEDULES

Special Revenue Funds

Combining Balance Sheet	50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	51
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary Basis	52

Capital Projects Funds

Combining Balance Sheet	58
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	59

Enterprise Funds

Combining Balance Sheet	62
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	63
Combining Statement of Cash Flows	64

Internal Service Funds

Combining Balance Sheet	68
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	69
Combining Statement of Cash Flows	70

Trust and Agency Funds

Combining Balance Sheet - Trust and Agency Funds	75
Combining Balance Sheet - Expendable Trust Funds	76
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Expendable Trust Funds	77
Combining Balance Sheet - Nonexpendable Trust Funds	78
Combining Statement of Revenues, Expenses, and Changes in Fund Balances - Nonexpendable Trust Funds	79
Combining Statement of Cash Flows - Nonexpendable Trust Funds	80
Combining Balance Sheet - Pension Trust Funds	82
Combining Statement of Revenues, Expenses, and Changes in Fund Balances - Pension Trust Funds	83
Combining Statement of Changes in Assets and Liabilities - Agency Funds	84

University Funds

Combining Balance Sheet	88
-----------------------------------	----

Required Supplemental Information

Iowa Public Employees' Retirement System - Analysis of Funding Progress	92
Iowa Public Employees' Retirement System - Revenues by Source and Expenses by Type	93
Peace Officers' Retirement, Accident and Disability System - Analysis of Funding Progress	94
Peace Officers' Retirement, Accident and Disability System - Revenues by Source and Expenses by Type	95
Judicial Retirement System - Analysis of Funding Progress	96
Judicial Retirement System - Revenues by Source and Expenses by Type	97

Supplemental Information

Schedule of Revenues by Source - General Fund	100
Schedule of Expenditures by Function and Department - General Fund	102

STATISTICAL

Revenues by Source - All Governmental Fund Types	108
Expenditures by Function - All Governmental Fund Types	108
Public Education - Public School Enrollment	110
Public Education - Public Higher Education Enrollment	110
Employment by Industry	111
Ten Largest Nongovernmental Employers	112
Labor Force, Employment and Unemployment - Annual Averages	113
Population, Total Personal Income, and Per Capita Personal Income	114
Agriculture - Cash Receipts and Government Payments	115
Revenue Bond Coverage	116
Bank and Savings & Loan Deposits	117

ACKNOWLEDGEMENTS



INTRODUCTORY





DEPARTMENT OF REVENUE AND FINANCE
GERALD D. BAIR, DIRECTOR

December 15, 1993

**TO THE CITIZENS, GOVERNOR,
AND MEMBERS OF THE IOWA
GENERAL ASSEMBLY:**

In accordance with Iowa Code Section 421.31(5), we are pleased to submit the Comprehensive Annual Financial Report for the State of Iowa for the fiscal year ended June 30, 1993. The Department of Revenue and Finance is responsible for both the accuracy of the presented data, and the completeness and fairness of the presentation. We believe the information presented is accurate in all material respects and the necessary disclosures have been made which enable the reader to obtain an understanding of the State's financial activity.

This report has been prepared in accordance with generally accepted accounting principles (GAAP) for governments as promulgated by the Governmental Accounting Standards Board (GASB).

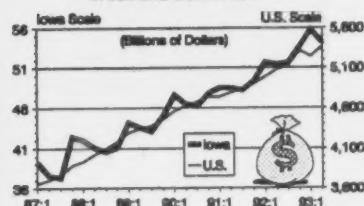
The report is presented in three sections as follows:

- * The **INTRODUCTORY SECTION** includes this transmittal letter, an organizational chart of state government, and a list of principal State officials.
- * The **FINANCIAL SECTION** contains the independent auditor's report on the financial statements, the general purpose financial statements, the combining statements, schedules of required pension disclosures, and detailed breakdowns of General Fund revenues and expenditures.
- * The **STATISTICAL SECTION** highlights selected financial and demographic information, generally presented on a multi-year basis.

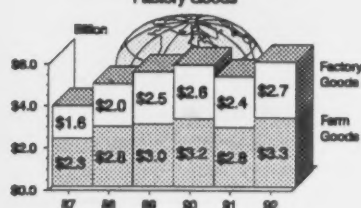
This report includes all of the fund types, account groups, departments and agencies of the State, as well as boards, commissions, authorities, and universities for which oversight responsibility is exercised by the State's executive, legislative, and judicial branches. The criterion considered in establishing oversight responsibility, as set forth by the GASB include: financial responsibility, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Other factors used in evaluating inclusion are scope of public service and special financing relationships. The reader is directed to Note 1.B in the Notes to the Financial Statements for a more complete description of the factors used to define the reporting entity.

All activities which would generally be considered part of the State of Iowa are included in this report. These activities provide a range of services including education, health and human services, transportation, agriculture and natural resources, law enforcement, public safety, economic development; and general legislative, judicial, and administrative services.

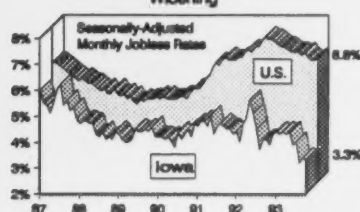
Since 1987, Iowa's Personal Income Growth Kept Pace with U.S.; Grew by 8% in 93:I and 5.3% in 93:II



Iowa Exports Grew 13% in 1992, To Nearly \$6 Billion; Nearly Half Were Factory Goods



Iowa's Jobless Rate Has Consistently Been Lower Than the U.S. Rate and the Gap is Widening



ECONOMIC CONDITION AND OUTLOOK

Iowans will remember 1993 as the year of the catastrophic floods. It was the year in which aggressive economic growth was halted with the July floods, only to be replaced with an outlook more closely paralleling that of the rest of the nation. It was the year of great sacrifices and great challenges. While the floods inflicted economic injury and casualty losses on governments, businesses, farms and individuals, the Iowa economy is not likely to see deep or lasting effects. Were it not for the momentum of our recovery and the favorable outlook of our structural fundamentals, that would not be the case.

During the first quarter of the year, Iowa's personal income growth ranked among the highest in the nation. By any measure of economic output, Iowa was tracking high among a small group of Midwestern states that were leading the nation. Two of the reasons for this are fundamental differences between Iowa and a number of other states, especially the coastal states. 1) Iowa has not been and will not be adversely affected by the military build down. 2) Iowa does not have to trim out an excess of speculatively-built, underutilized commercial property.

During the late 1980's and early 1990's, Iowa became a major exporting state. Despite its inland location, Iowa is a major supplier to the world's markets for industrial machinery, instruments and measurement devices, electronics, consumer appliances, specialized transportation equipment, chemicals and pharmaceuticals, processed food products, farm commodities and livestock. In 1992, the export of factory goods accounted for \$2.7 billion, or 45%, of the \$6 billion total exports. Durable goods products represented 55% of the factory exports. Iowa exports in 1992 exceeded the 1991 total by nearly 13%. Numbers for the first two quarters portend a similar growth rate for 1993.

The strength of Iowa's exports, and in particular the durable goods exports, has resulted in Iowa's durable good manufacturing employment rising at a time when employment in this sector across the nation has been falling. The number of workers on payrolls in Iowa are at record levels, notwithstanding the impact of the flood. Iowa's jobless rate throughout 1993 has consistently been about half as high as the nation's.

The shock impact of the flood on Iowa's economy had only a minimal impact on the labor market. During June, the month prior to the major surge of the flood, the jobless rate was 3.9%. In July, the rate rose to 4% indicating virtually no impact. In August, the rate fell to 3.2%, and has hovered in that range through year end.

The University of Iowa Institute for Economic Research models forecast real personal income to grow 3.1% during 1993, including the impact of the flood. Much of this growth occurred during the first two quarters of the year. In 1994 and 1995, real personal income is expected to grow 0.7% and 1.9% respectively. The major damper to growth is expected to be farm income weakened by flooded fields, low yields and lower quality grain.

Employment is expected to grow 1.7% in 1993, 3.1% in 1994 and 2.8% in 1995. Iowa's employment situation, like the nation's, is one of cautious expansion. Iowa's largest employers have delayed hiring awaiting employment cost implications that will be built into the health care reform package that is ultimately enacted. In September, Iowa manufacturers registered an average workweek of 41.9 hours as many employers expanded overtime and delayed new hiring.

The employment stimulus effect of the flood-related rebuilding and construction activities has not yet occurred. If what happened in South Florida during the six months following Hurricane Andrew also happens in Iowa, then we should expect to see employment grow by about 3%. About a third of this growth can be expected in the construction trades and in construction materials retailers. The rest would be the induced effect of the additional spending in the economy. By mid-October, housing repair and reconstruction alone has pumped about \$51 million of new money into the economy.

Housing activity in Iowa in 1992 set a record that may be broken in 1993. During the first three quarters of 1993, more permits for new homes were issued in Iowa's 47 largest communities than were issued in all of 1991. In addition, Iowa new car sales for the first eight months of 1993 were up 1% over the same period in 1992. Clearly, consumer confidence has not been shaken by the floods of 1993.

Iowa's farm sector has felt the greatest impact of the flood. An excessively wet Spring delayed planting for many. Some farms were too wet to plant any crop this season. The significantly lower expected yield is in contrast to the bumper crop of 1992. As a result, net farm income is expected to be down about \$2 billion from the record 1992 level. The losses will be distributed over a three-year period. In 1993, farm income will reflect the sale (at 1993 prices) of about two-thirds of the 1992 harvest which went into storage. By 1994, the inventories are expected to be exhausted and farm income will show the full effect of the flood losses. Crop and livestock income are both forecast to reach or approach record levels by 1995.

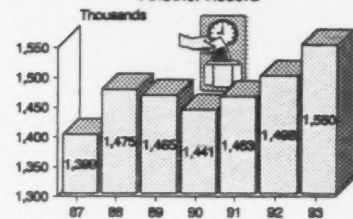
MAJOR INITIATIVES

Two years ago, Iowa was facing what seemed to be nearly insurmountable budget problems. Today, through a combination of tough, immediate measures, long-term strategic changes and a major shift in the mind-set of state government managers, the State is fast becoming one of the best managed in the country. The following will identify some of the major issues, how they have been addressed, some of the results, and the current outlook.

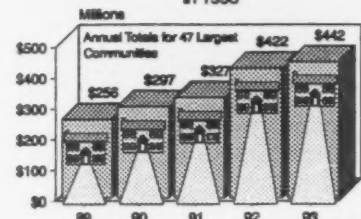
Issues

First, Iowa was facing a "structural" deficit, where ongoing expenses significantly exceeded ongoing revenues. That is, seemingly "unavoidable" and formula-driven annual increases in the State budget were exceeding the increase in available resources by a margin of three or four to one. Much of the budget, about 60%, was on "automatic pilot", or outside the review or control of the annual budgeting process.

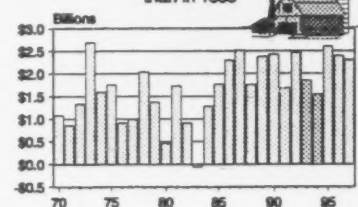
Iowa Resident Employment Has Been Growing Throughout 1993; October Set Another Record



Value of Iowa Housing Permits Issued in January-October Sets New Record in 1993



Iowa Net Farm Income Is Expected to Reflect Flood Losses More in 1994 than in 1993



Some of the major sources of uncontrollable growth have been in the human services area where programs like Medicaid, Foster Care, and legal assistance for low-income persons have been growing at rates far in excess of the rate of growth in revenues. An example of formula-driven growth was in kindergarten through 12th grade (K-12) school aid, where in fiscal year 1992, that formula alone would have generated State budget spending growth consuming more than 100% of all revenue growth that year. Together these factors and others were driving expenditure growth far in excess of what could be supported through normal revenue growth.

A second major issue has been the State's ending fund balance when calculated according to Generally Accepted Accounting Principles (GAAP). Following long-standing practice, the State does not treat its revenues and expenditures consistently. While most taxpayer-assessed revenues are accounted for on an accrual basis, some expenditures are treated on a cash basis. Over time, these accounting issues have accumulated to several hundred million dollars. A GAAP deficit of this magnitude sends the wrong signal to those thinking about doing business in this state, affects the borrowing costs for all public sector entities in Iowa, and compounds cash flow problems.

The third major issue facing the State budget has been its vulnerability to external events such as recessions and floods. Until this year, the State was operating without reserves or a "Rainy Day Fund." This meant that when external events occurred, major disruptions in the budget were necessary to cope with the effects.

Solutions

A combination of steps has been used to address the issues of the structural deficit, the GAAP deficit and the States vulnerability to external events. These changes include statutory spending limits which limit state spending to 99% of anticipated state revenue, the creation of three reserve funds with statutory goals and restrictions on use, and a statutory requirement to eliminate the State's fiscal deficit under GAAP by fiscal year 1995.

Statutory goals are important but they are only as good as the program and formula changes that enable them to be achieved. Changes in programs and formulas are some of the most significant accomplishments that have been made as a part of Iowa's budget reform process. There has been a mind-set change within State government, where no longer are double-digit increases in program spending accepted. All programs exhibiting such growth have been systematically analyzed and changed to achieve financial accountability. Examples of program reform include the Indigent Defense program, Foster Care, Juvenile Justice and Medicaid.

These program reforms are critical in containing future cost increases. However, reductions in base spending have also occurred. Over the past two years there has been a 10 percent reduction in employment in executive branch agencies. That is a dramatic reduction when considering the stability in employment during the previous ten years. Staffing levels are monitored by the Governor each month as part of the regular management review process. The reduction is a net reduction, accomplished through layoffs, attrition and some sub-contracting of government services. Agency budgets reflect these staff changes, with corresponding 10 to 30 percent reductions in operating budgets over the last two years.

Results

As a result of these changes, the State budget is in a more manageable condition today than it was two years ago. The percent of the total budget that is on "automatic pilot" has been reduced from 60 percent to about 12 percent. The ratio of "unavoidable" and predetermined increases in spending to increases in resources has been reduced from 3-4:1 to less than 1:1. The first-year goal percentage for the cash reserve fund (one percent of available FY94 revenue) has been met via the FY93 ending balance which exceeded expectations.

Fiscal Year 1992-1993 was the first year under the major budget reforms. The results of these reforms are impressive. The actual year-end financial results were better than earlier projections. The State's financial deficit under Generally Accepted Accounting Principles was reduced by \$102.0 million. For the first time in recent memory, there were no mid-year supplemental appropriations. In fact, some of the same programs that almost always required supplemental appropriations, Medicaid, Foster Care, and Juvenile Justice, actually reverted funds at year end.

Although impressive financial results have been achieved under budget reform, additional cost containment reforms will be implemented in Fiscal Year 1993-1994. These reforms will be in the area of indigent defense, welfare reform, child welfare system changes, child support payments and additional reforms in Medicaid.

Outlook

Certainly the Flood of '93 will affect the state budget, on both the receipts side and the spending side. The flood's impact means the State will meet the GAAP deficit elimination requirement, according to the original schedule rather than doing so one year early. The significant program changes that have been made (and continue to be made) will provide greater control of the budget over the long-term.

FINANCIAL INFORMATION

Budgetary Controls and Accounting Systems. The current statewide accounting system was implemented in 1983 and has been periodically upgraded and modified. As a part of that implementation, and on an ongoing basis, emphasis has been placed on the adequacy of internal and budgetary controls. Internal controls are in place to provide reasonable, but not absolute, assurance that assets are safeguarded against unauthorized use or disposition, and that financial records from all appropriate sources are reliable for preparing financial statements and maintaining accountability. The concept of reasonable assurance recognizes the cost of internal controls should not exceed the benefits likely to be derived from their use. To monitor the adequacy of internal controls, the Auditor of State's Office reviews departmental internal control procedures as an integral part of component unit audits.

Budgetary controls are incorporated into the various State accounting systems. The annual budget of the State is established through separate appropriations to individual departments for specific purposes, special outlays and/or operating expenditures. Quarterly allotments that equal the departments' quarterly spending plan are also established. Requests to revise these allotments require sufficient substantiation and approval of the Department of Management.

All claims presented for payment must be certified by the appropriate department that the expenditure is for a purpose intended by law and a sufficient unexpended appropriation balance is available for the expenditure. The automated statewide accounting system also performs various edits to assure appropriation authorizations are not exceeded. In addition to these centralized controls, each department director is required by statute to maintain expenditures within appropriated limits. For programs supported totally or in part with federal or other funds, expenditures can not exceed the sum of appropriations and additional dedicated revenue that is received. If dedicated revenue is not received as expected, expenditures must be reduced in a like manner.

Extensive use is made of on-line tables and reports, updated on a daily basis, to provide detailed and management level reports to State departments, budget authorities, and the State Legislature. Detailed monthly reports are prepared to assure expenditures are being executed according to plan; deviations are identified and budget or spending modifications are made on a continuing basis.

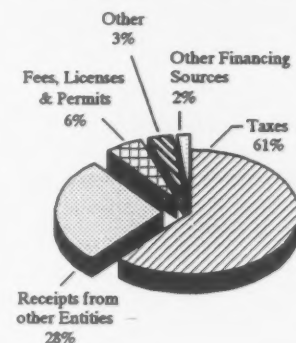
Financial Statement Presentation. The State's financial statements are prepared in accordance with GAAP. The Governmental funds and Expendable Trust funds are presented on the modified accrual basis of accounting, whereby, revenues are recognized when measurable and available, and expenditures are recognized when goods or services are received and the related liabilities are incurred. The Proprietary, Nonexpendable Trust, and Pension Trust funds are presented on the accrual basis of accounting with all revenues and expenses recognized when the transactions occur, regardless of when related cash is received or disbursed. The financial statements of the University funds are reported in conformity with GAAP as established by the American Institute of Certified Public Accountants (AICPA).

General Government Functions. Most state operations are accounted for through Governmental fund types: General, Special Revenue, and Capital Projects.

Governmental fund's Revenues And Other Financing Sources totaled \$5,911.9 million for fiscal year 1993. Taxes had the largest increase of \$325.8 million which was a 9.9% increase over the previous year, while Receipts From Other Entities increased \$71.5 million which was a 4.6% increase from the previous year. The revenues from various sources, and the change from the previous year are shown in the following schedule (amounts in thousands):

		Increase (Decrease)	
		Over 1992 Actual	
	1993	1992	Amount Percent
Taxes (Net)	\$ 3,627,497	\$ 3,301,738	\$325,759 9.9
Receipts From Other Entities	1,639,784	1,568,305	71,479 4.6
Fees, Licenses & Permits (Net)	330,223	310,240	19,983 6.4
Subtotal	5,597,504	5,180,283	417,221 8.1
Other:			
Refunds & Reimbursements	123,395	102,239	21,156 20.7
Investment Income	38,701	50,220	(11,519) (22.9)
Miscellaneous	41,482	33,791	7,691 22.8
Sales, Rents & Services	7,151	7,380	(229) (3.1)
Centralized Payroll	-	1	(1) -
Subtotal	210,729	193,631	17,098 8.8
Total Revenues	5,808,233	5,373,914	434,319 8.1
Other Financing Sources	107,216	121,767	(14,551) (11.9)
Total Revenues And Other Financing Sources	\$ 5,915,449	\$ 5,495,681	\$ 419,768 7.1

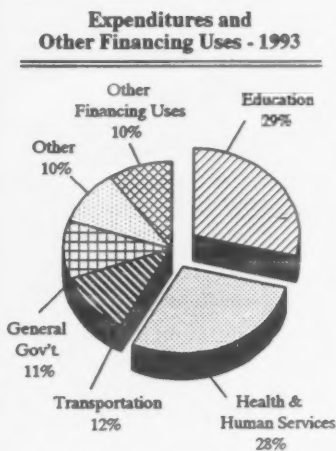
Governmental Revenues and Other Financing Sources - 1993



(Changes in revenues were highlighted by):

- * State tax collections increased \$325.8 million due primarily to an 26.5% growth (\$211.8 million) in sales tax directly related to the increase in the sales tax rate, from four percent to five percent, effective July 1, 1992, and a 7.0% growth (\$110.5 million) in individual income tax.
- * Receipts From Other Entities increased by \$71.5 million due primarily to an 5.0% growth (\$71.8 million) of federal funds in the areas of Transportation and Health and Human Services. \$53.1 million of the increase in federal funds resulted from a change to account for Medicaid expenditures in the year in which they were incurred.
- * Investment income decreased by 22.9%, for a total of \$11.5 million. This is due primarily to lower interest rates.

Governmental fund's Expenditures And Other Financing Uses totaled \$5,831.9 million for fiscal year 1993. Health & Human Services had the largest increase of \$100.5 million which was a 6.4% increase over the previous year, while Education experienced an increase of \$84.3 million which was a 5.2% increase over the previous year. Changes in expenditures from fiscal year 1992 levels are presented in the following schedule (amounts in thousands):



Governmental Expenditures and Other Financing Uses			Increase (Decrease) Over 1992 Actual	
	1993	1992	Amount	Percent
Education	\$ 1,693,681	\$1,609,339	\$ 84,342	5.2
Health & Human Services	1,663,576	1,563,059	100,517	6.4
Transportation	678,217	735,443	(57,226)	(7.8)
General Government	646,760	645,410	1,350	2.1
Subtotal	<u>4,682,234</u>	<u>4,553,251</u>	<u>128,983</u>	2.8
Other:				
Law, Justice & Public Safety	333,560	317,395	16,165	5.1
Economic/Manpower Development	124,726	129,215	(4,489)	(3.5)
Agriculture & Natural Resources	86,584	85,511	1,073	1.3
Capital Outlay	24,331	43,375	(19,044)	(43.9)
Regulation Of Business	17,304	18,564	(1,260)	(6.8)
Subtotal	<u>586,505</u>	<u>594,060</u>	<u>(7,555)</u>	1.3
Total Expenditures	5,268,739	5,147,311	121,428	2.4
Other Financing Uses	<u>563,117</u>	<u>506,732</u>	<u>56,385</u>	11.1
Total Expenditures And Other Financing Uses	<u>\$ 5,831,856</u>	<u>\$ 5,654,043</u>	<u>\$ 177,813</u>	3.1

(Changes in expenditures were highlighted by):

- * Health and Human Services increased \$100.5 million due primarily to increased state aid in Human Services of \$71.3 million, which related directly in a change to account for Medicaid expenditures in the year in which they were incurred, and an increase of \$11.0 million for contractual services in Human Rights.
- * Education increased \$84.3 million due primarily to increased State aid to local school districts of \$89.4 million (6.1%).
- * Other Financing Uses increased by 11.1%, for a total of \$56.4 million. This is due primarily to an 7.8% growth (\$36.7 million) in Transfers To Universities, and an 50.5% growth (\$19.7 million) in Transfers Out, which is directly attributable to \$27.0 million of Insurance Reserves that were returned from the General Fund.

General Fund Balance. GAAP-basis fund balances for the General Fund at June 30 (expressed in thousands) for the past four years were:

	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>
Reserved	\$ 378,979	\$ 390,681	\$ 464,821	\$ 341,053
Unreserved	<u>(306,790)</u>	<u>(408,809)</u>	<u>(338,281)</u>	<u>(132,577)</u>
Total General Fund	<u>\$ 72,189</u>	<u>(18,128)</u>	<u>\$ 126,540</u>	<u>\$ 208,476</u>

The reserved portion of the General Fund balance represents amounts legally required to be segregated and cannot be appropriated for general operating expenditures. The unreserved portion of the General Fund balance is determined as total General Fund balance less reserved amounts. Even for the years in which the total fund balance in the General Fund was positive, the unreserved component of fund balance was negative because the reserve requirements exceeded the total fund balance. Further detail on fund balances reserved for specific purposes can be found in Note 14 of the Notes to the Financial Statements.

The unreserved fund balance deficit of the General Fund decreased from \$(408.8) million at June 30, 1992, to \$(306.8) million at June 30, 1993. This represents a decrease of \$102.0 million, or 25.0%.

The fund balance of the General Fund totaled \$72.2 million as of June 30, 1993, an increase of \$90.3 million, or 498.9%, from the previous fiscal year end balance.

Accounting for Taxpayer-Assessed Revenues. As reported in a press release issued on November 22, 1993, the Governmental Accounting Standards Board (GASB) voted to issue a final Statement on accounting for taxpayer-assessed tax revenues, such as sales and income taxes, in governmental funds. This Statement will be effective for periods beginning after June 15, 1994, with earlier application encouraged.

Specifically, the Statement requires that revenue from taxpayer-assessed taxes, net of estimated refunds, be recognized in the period the revenue becomes measurable and available to finance the expenditures of the current period.

The State of Iowa has developed an estimate of the financial impact this Statement would have on the State's General Fund unreserved fund balance. On June 30, 1993, the estimated impact would be a positive \$230.0 million.

Estimated Impact of New GASB Statement for Taxpayer-Assessed Revenues

Unreserved General Fund fund balance per the CAFR 6/30/93	\$ (306,790)
Estimated Statement Impact	<u>230,000</u>
Estimated Adjusted General Fund fund balance	<u>\$ (76,790)</u>

Taking the effects of this Statement into account would result in an estimated adjusted General Fund fund balance at June 30, 1993, of \$(76.8) million. The State currently intends to follow the GASB's encouragement of early implementation of this new statement, and its requirements will be reflected in the FY94 CAFR.

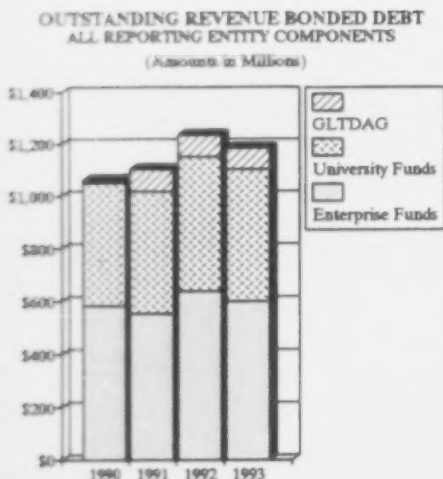
Enterprise Funds. The State's enterprise operations are comprised of a number of separate and distinct activities, including the Lottery, the State Communication Network, the Higher Education Loan Authority, and the Iowa Finance Authority. Combined operating revenues for the State's Enterprise funds increased from \$329.8 million in Fiscal Year 1992 to \$381.1 million in Fiscal Year 1993. The combined operating expenses increased from \$212.4 million to \$254.9 million during the same period.

The \$51.3 million increase in operating revenues was due primarily to a \$37.4 million increase in Iowa Lottery sales, and a \$7.6 million increase in investment income for the Iowa Finance Authority.

The \$42.5 million increase in operating expenditures was due primarily to a \$29.3 million increase in prizes and general and administrative expenses for the Iowa Lottery, and for an \$8.2 million increase in the general and administrative expenses of the Iowa Finance Authority.

Internal Service Funds. The Internal Service funds account for the financing of goods or services provided by one department or agency to other agencies of the State. The principal internal service operations provide telecommunications, centralized purchasing, acquisition and replacement of State vehicles, and materials and equipment for Department of Transportation operations. Combined operating revenues increased from \$118.4 million in Fiscal Year 1992 to \$138.1 million in Fiscal Year 1993. Combined operating expenses increased from \$117.7 million to \$135.7 million during the same period. This \$19.7 million increase in operating revenues and \$18.0 million increase in operating expenses is primarily due to an increase in purchases through centralized purchasing and the corresponding reimbursements for those purchases.

Pension Trust Funds. The total net assets of the State's Pension Trust funds, on a market basis, was \$7.03 billion at June 30, 1993. The latest actuarial valuations of the separately funded and independent pension plans discloses the following information: Iowa Public Employees' Retirement System (IPERS) has assets in excess of the Pension Benefit Obligation of \$132.6 million and which represents a funding ratio of 102.21%; Peace Officers' Retirement Accident and Disability System's Pension Benefit Obligation exceeds the net assets available for benefits by \$23.2 million which reflects a funding ratio of 81.31%; and the Judicial Retirement System's Pension Benefit obligation exceeds the net assets available for benefits by \$24.7 million which reflects a funding ratio of 48.30%. The State's retirement systems funding history is demonstrated in the "Analysis of Funding Progress" presented in the Required Supplemental Information Section. The funding policies in regards to the Pension Trust funds is discussed in detail in the Notes to the Financial Statements (NOTE 20 - PENSION PLANS).



Debt Administration. The Constitution of the State of Iowa prohibits the State from exceeding a maximum of \$250 thousand in general obligation debt without voter approval. However, State law authorizes the issuance of Tax and Revenue Anticipation Notes (TRANS), provided that the total issuance does not exceed anticipated revenue receipts for the fiscal year and that the total issuance mature during the fiscal year. For Fiscal Year 1993, the State issued TRANS of \$375 million which were repaid on June 30, 1993.

Revenue bonds issued by various authorities of the State, totaled \$1,186.2 million outstanding at fiscal year-end. This amount consisted of \$9.8 million in various purpose revenue bonds, \$598.0 million in enterprise revenue bonds (housing and higher education), \$506.0 million in revenue bonds issued by the three State universities (for facilities), and \$72.4 million in various bonds issued by the Iowa Finance Authority for the Underground Storage Tank Program. Such bonds are backed by the revenues of the issuing project or authority.

Certificates of Participation (COPS), issued by the State, outstanding at fiscal year-end amounted to \$122.4 million. COPS represent an ownership interest of the certificate holder in a lease purchase agreement. Other financing arrangements payable, excluding COPS, totaled \$10.8 million at June 30, 1993.

State agencies, including the universities, have also entered into capital leases and installment purchase agreements for various purposes. Total long-term capital leases and installment purchases outstanding on June 30, 1993, was \$40.2 million.

Cash Management. The cash management function is the responsibility of the State Treasurer. Funds of State agencies, which are temporarily available for investment, are pooled together and invested in certificates of deposit, U.S. Treasury bills and notes, U.S. Government Agency obligations, repurchase agreements, and corporate debt instruments as allowed by law and the Treasurer's investment policy. The three goals of the investment policy, in order of importance, are: 1) safety of funds; 2) liquidity; and 3) return. A custodial bank is utilized to safekeep investments and to provide payment and collection services for investment transactions. All investment transactions occur on a payment versus delivery basis. It is the policy of the Treasurer's Office that all deposits under its control are insured or collateralized in accordance with Chapter 12C of the Iowa Code.

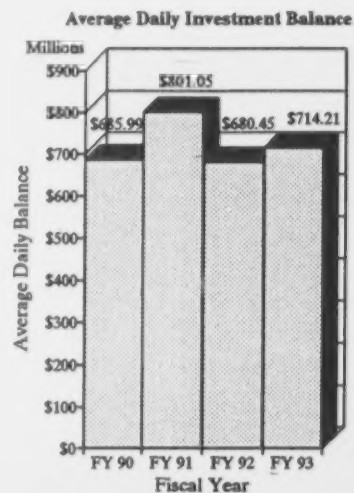
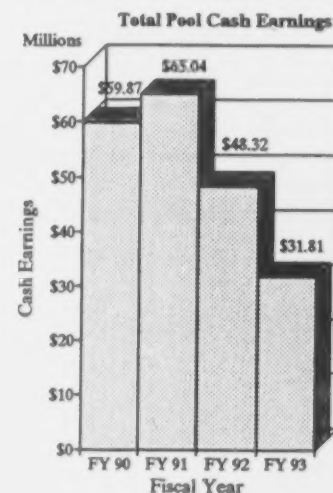
Presented below is comparative data for the State's investment pool for the last three fiscal years. Total Pool Cash Earnings consist of interest earnings received in cash during a fiscal year and do not include any accrued income or unrealized gains or losses on investments. The Realized Cash Rates of Return shown are calculated by dividing Total Pool Cash Earnings by the Pool Average Daily Investment Balance and do not represent time-weighted returns. The Time-Weighted Returns shown below represent the investment pool's return for a fiscal year when accruals and unrealized gains or losses are considered. The decline in total pool cash earnings over the last two fiscal years is a direct result of declining interest rates over that period.

	FY 93	FY 92	FY 91	FY 90
Total Pool*				
Cash Earnings:**	\$ 31,815	\$ 48,329	\$ 65,047	\$ 59,876
Pool Average Daily Investment Balance*	714,215	680,450	801,058	685,990
Realized Cash Rate of Return:	4.45%	7.10%	8.12%	8.73%
Time-Weighted Return:	5.82%	7.81%	9.28%	9.00%

* In thousands of dollars

** Safekeeping and banking expenses have been deducted from Total Pool Cash Earnings

STATE TREASURY INVESTMENT POOL



Risk Management. The State is currently self-insured for losses relating to Workers' Compensation, Unemployment Compensation, Medical, Life, Dental, Long-Term Disability, general liability (with the exception of limited third-party coverage for specific potential losses), and property other than that belonging to Auxiliary Enterprises. For further information refer to the Notes to the Financial Statements (NOTE 27 - RISK MANAGEMENT).

OTHER INFORMATION

Independent Audit. The Auditor of State is required by Chapter 11 of the Code of Iowa to audit annually all departments of the State. The accompanying general purpose financial statements of the State of Iowa have been audited by the Auditor of State in accordance with generally accepted auditing standards and Chapter 11 of the Code of Iowa. His report appears elsewhere herein.

In addition, the Auditor of State conducts a single audit under the requirements set forth in the Single Audit Act and OMB Circular A-128, Audits of State and Local Governments. This report is issued separately.

Conclusion. Although the Department of Revenue and Finance accepts final responsibility for this report, the preparation of the report on a timely basis was possible only with the cooperation and support of the Executive, Legislative, and Judicial branch agencies, universities, and component units of the State.

We wish to express our appreciation to the Auditor of State's Office, to the entire staff of the Accounting Bureau within Revenue and Finance, and to the financial and management personnel throughout State government, for their professional and dedicated efforts in assisting us in the preparation of this Report. We also convey a special thanks to the Printing Division staff in the Department of General Services, for their assistance in the printing of this report.

This report continues our commitment to the citizens of the State of Iowa, the Governor, the Legislature, and the financial community, to maintain our financial statements in conformance with the highest standards of financial accountability. This report again emphasizes the necessity for continued fiscal reform, spending reductions, and restructuring of State and local government, if we are to continue to improve the State's fiscal condition, and eliminate the accumulated deficit of the State.

Respectfully submitted,



Gerald D. Bair, Director
Department of Revenue and Finance

Gretchen H. Tegeler, Director
Department of Management

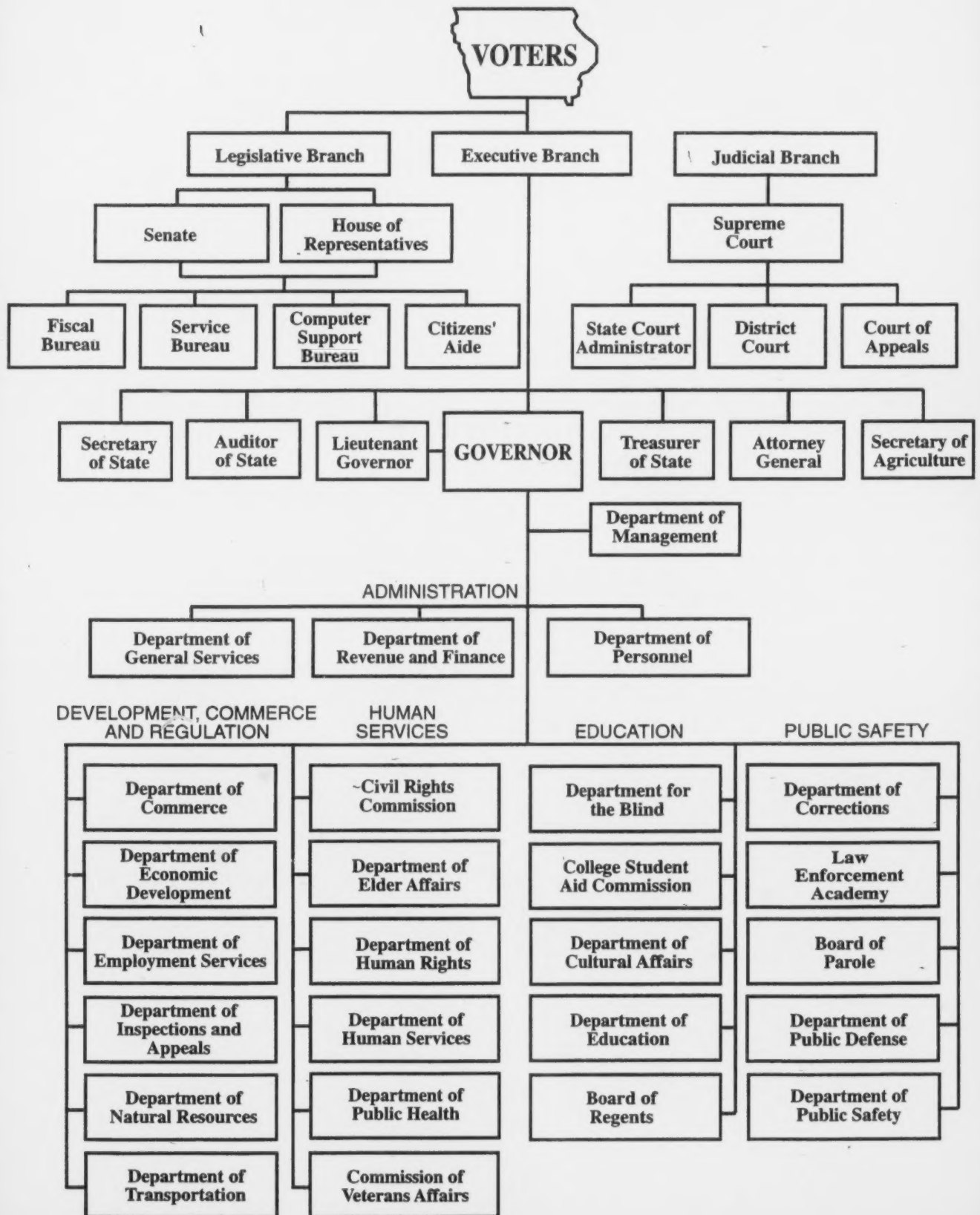


Iowa has a total area of 56,290 square miles, or 36.025 million acres. Water covers 223,360 acres. Of the remaining 35.802 million acres, 33.4 million are in farms.



Iowa's four principal agricultural products are corn, soybeans, cattle and hogs. Iowa leads the nation in corn production, (20.1 percent of the nation's total); and hog production, (24.7 percent of the nation's pork is produced in Iowa). Iowa is second in soybeans, (16.6 of the U.S crop), and is sixth in marketings of cattle and calves, (6.9 percent of the country's total cattle and calf crop).

IOWA ORGANIZATION STRUCTURE



PRINCIPAL OFFICIALS

ELECTED OFFICIALS

GOVERNOR - **Terry E. Branstad**
LIEUTENANT GOVERNOR - **Joy C. Corning**
SECRETARY OF STATE - **Elaine B. Baxter**
AUDITOR OF STATE - **Richard D. Johnson**
TREASURER OF STATE - **Michael L. Fitzgerald**
SECRETARY OF AGRICULTURE - **Dale M. Cochran**
ATTORNEY GENERAL - **Bonnie J. Campbell**

LEGISLATIVE BRANCH

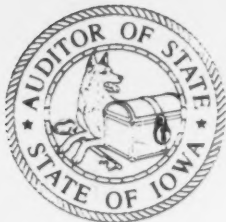
PRESIDENT OF THE SENATE - **Leonard L. Boswell**
SPEAKER OF THE HOUSE OF REPRESENTATIVES - **Harold G. Van Maanen**

JUDICIAL BRANCH

CHIEF JUSTICE OF THE SUPREME COURT - **Arthur A. McGiverin**

FINANCIAL





OFFICE OF AUDITOR OF STATE STATE OF IOWA

Richard D. Johnson, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report

To the Governor and Members of the General Assembly:

We have audited the accompanying general purpose financial statements of the State of Iowa, as of June 30, 1993, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the State of Iowa. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain component units, which statements reflect 73% of assets and 15% of revenues of the Enterprise Funds. These statements were examined by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts included for these component units is based solely upon the reports of the other auditor.

We conducted our audit in accordance with generally accepted auditing standards and Chapter 11 of the Code of Iowa. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of the other auditors provides a reasonable basis for our opinion.

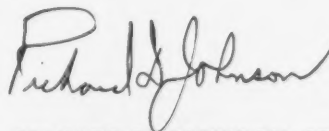
In our opinion, based on our audit and the reports of the other auditor, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Iowa as of June 30, 1993, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

The State's General Fund budgetary basis fund balance has been determined through inconsistent recognition of various revenues and expenditures within the General Fund budget. Included in budgetary General Fund revenue are taxes receivable and certain other revenue received through September 30, 1993. However, by statute, expenditures of \$58,324,000, primarily reimbursements to local governments for fiscal year 1993 expenditures, have been specifically appropriated for expenditure by the State in fiscal year 1994. In addition, tax refunds and other expenditures chargeable against standing appropriations are recorded in the year paid rather than being recorded as expenditures of the fiscal year to which they relate. Accordingly, as shown in Note 21 to the financial statements, budgetary results are significantly different than results determined in accordance with generally accepted accounting principles.

The portion of the General Fund balance which is reserved for specific future use, described in Note 14 to the financial statements, declined to \$295,351,000 at June 30, 1993, compared to a balance of \$329,016,000 at June 30, 1992. The unreserved fund balance of the General Fund at June 30, 1993, is a deficit of \$306,790,000, compared to a deficit of \$408,809,000 at June 30, 1992.

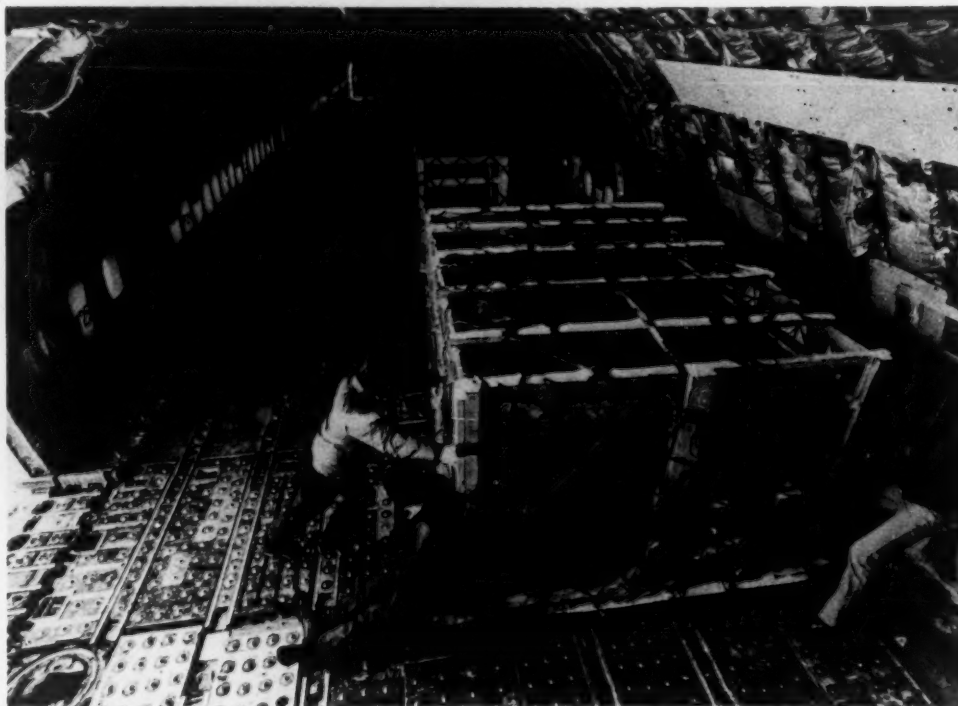
Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements and supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Iowa. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the statistical section and, accordingly, express no opinion thereon.

A handwritten signature in cursive script, reading "Richard D. Johnson".

RICHARD D. JOHNSON, CPA
Auditor of State

November 5, 1993



Iowa exports more than \$3 billion in agricultural products annually. Iowa farmers and food companies are actively pursuing market opportunities around the world through trade missions, food shows, and special events. Iowa's agricultural products are recognized the world over for their quality and value.



GENERAL PURPOSE FINANCIAL STATEMENTS

STATE OF IOWA

Combined Balance Sheet All Fund Types and Account Groups

June 30, 1993
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
ASSETS					
Cash & Investments (Note 2)	\$ 474,300	\$ 179	\$ 13,783	\$ 581,698	\$ 16,217
Deposits With Trustee (Note 2)	-	-	3,505	-	-
Accounts Receivable (Net)(Note 4)	230,222	-	220	10,216	492
Interest Receivable	20	-	52	5,896	-
Notes Receivable (Net)	3,588	-	-	-	-
Loans Receivable (Net)	45,043	-	21	233,282	-
Unemployment Benefits Receivable (Net)	-	-	-	-	-
Due From Other Funds (Note 5)	10,763	14	1,330	783	22,480
Bond Issuance Costs	-	-	-	-	-
Fixed Assets (Net) (Note 6)	-	-	-	95,699	63,572
Inventory	8,180	-	-	5,919	9,619
Prepaid Expenditure/Expense	13,622	-	-	2,442	636
Other Assets	131	-	-	2,416	-
Investment In Prize Annuity (Note 7)	-	-	-	80,070	-
Prize Deposit	-	-	-	2,142	-
Equity In Wholly Owned Subsidiary	-	-	-	-	-
Amount To Be Provided For Retirement Of General Long-Term Obligations	-	-	-	-	-
TOTAL ASSETS	\$785,869	\$ 193	\$ 18,911	\$1,020,563	\$113,016
LIABILITIES					
Accounts Payable & Accruals	\$ 589,538	\$ -	\$ 1,470	\$ 31,546	\$ 18,973
Tax Refunds Payable	50,115	-	-	-	-
Due To Other Funds (Note 5)	57,723	-	156	3,174	2,129
Interest Payable	58	-	-	14,365	-
Deferred Revenue	16,246	-	-	9,890	10,951
Compensated Absences (Note 1)	-	-	-	911	527
Capital Leases (Note 9)	-	-	-	40	-
Bonds Payable (Note 13)	-	-	-	597,950	-
Other Financing Arrangements Payable (Note 12)	-	-	-	95,078	-
Annuities Payable (Note 7)	-	-	-	80,201	-
Billings & Cash For Unsold Tickets	-	-	-	4,772	-
Lottery Prizes Payable	-	-	-	9,354	-
Funds Held In Custody	-	-	-	-	-
Deferred Compensation Payable (Note 25)	-	-	-	-	-
Other Assets In Custody	-	-	-	-	-
Lease Obligation From Discontinued Operations (Note 15)	-	-	-	1,130	-
Installment Purchases (Note 10)	-	-	-	-	1,781
Special Termination Benefits	-	-	-	-	-
Pension Liabilities	-	-	-	-	-
Long-Term Tax Refunds Payable	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Deposits	-	-	-	-	-
TOTAL LIABILITIES	713,680	-	1,626	848,411	34,361
FUND EQUITY AND OTHER CREDITS					
Contributed Capital	-	-	-	2,608	-
Retained Earnings	-	-	-	169,544	78,655
Fund Balances:					
Reserve For:					
Encumbrances & Contracts	20,690	-	-	-	-
Inventory & Prepaid Expenditure	21,802	-	-	-	-
Noncurrent Receivables	41,136	-	14	-	-
Debt Service	-	-	-	-	-
Specific Purposes	295,351	-	3,347	-	-
Unreserved Fund Equity	(306,790)	193	13,924	-	-
Net Investment In Plant	-	-	-	-	-
Investment In General Fixed Assets	-	-	-	-	-
TOTAL FUND EQUITY AND OTHER CREDITS	72,189	193	17,285	172,152	78,655
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$785,869	\$ 193	\$ 18,911	\$ 1,020,563	\$113,016

The notes are an integral part of the financial statements.

STATE OF IOWA

FIDUCIARY FUND TYPE TRUST AND AGENCY	ACCOUNT GROUPS		UNIVERSITY FUNDS	TOTAL (MEMORANDUM ONLY)
	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		
\$ 7,229,712	\$ -	\$ -	\$ 552,954	\$ 8,868,843
-	-	-	33,465	36,970
411,822	-	-	168,651	821,623
30,561	-	-	7,348	43,877
38	-	-	58,742	62,368
-	-	-	-	278,346
11,009	-	-	-	11,009
38,702	-	-	116	74,188
-	-	-	284	284
922	775,410	-	2,263,827	3,199,430
308	-	-	38,022	62,048
1,975	-	-	8,190	26,865
62	-	-	-	2,609
-	-	-	-	80,070
-	-	-	-	2,142
-	-	-	8,351	8,351
-	-	265,061	-	265,061
<u>\$7,725,111</u>	<u>\$775,410</u>	<u>\$265,061</u>	<u>\$3,139,950</u>	<u>\$13,844,084</u>
\$ 622,210	\$ -	\$ -	\$ 87,496	\$ 1,351,233
-	-	-	-	50,115
10,890	-	-	116	74,188
-	-	-	15,951	30,374
500	-	-	20,088	57,675
-	-	77,149	83,956	162,543
-	-	3,447	30,573	34,060
-	-	82,211	506,030	1,186,191
-	-	31,354	6,801	133,233
-	-	-	-	80,201
-	-	-	-	4,772
-	-	-	-	9,354
15,343	-	-	117,032	132,375
93,420	-	-	-	93,420
2,586	-	-	-	2,586
-	-	-	-	1,130
-	-	4,348	-	6,129
-	-	2,820	-	2,820
-	-	1,073	-	1,073
-	-	61,503	-	61,503
-	-	1,156	-	1,156
-	-	-	327	327
<u>744,949</u>	<u>-</u>	<u>265,061</u>	<u>868,370</u>	<u>3,476,458</u>
-	-	-	-	2,608
-	-	-	-	248,199
-	-	-	96,174	116,864
333	-	-	37,895	60,030
690	-	-	-	41,840
-	-	-	27,343	27,343
6,262,938	-	-	322,718	6,884,354
716,201	-	-	13,244	436,772
-	-	-	1,774,206	1,774,206
-	775,410	-	-	775,410
<u>8,980,162</u>	<u>775,410</u>	<u>-</u>	<u>2,271,580</u>	<u>10,367,626</u>
<u>\$7,725,111</u>	<u>\$775,410</u>	<u>\$265,061</u>	<u>\$3,139,950</u>	<u>\$13,844,084</u>

STATE OF IOWA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE	TOTAL
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	EXPENDABLE TRUST	(MEMORANDUM ONLY)
REVENUES					
Taxes	\$ 3,930,086	\$ -	\$ -	\$ 164,841	\$ 4,094,927
Receipts From Other Entities	1,635,953	-	3,831	74,024	1,713,808
Investment Income	38,489	-	212	48,394	87,095
Fees, Licenses & Permits	371,996	15	422	200	372,633
Refunds & Reimbursements	123,172	-	223	127,708	251,103
Sales, Rents & Services	7,151	-	-	3,274	10,425
Miscellaneous	41,430	7	45	12,655	54,137
Centralized Payroll	-	-	-	73	73
GROSS REVENUES	6,148,277	22	4,733	431,169	6,584,201
Less Revenue Refunds	344,799	-	-	2,090	346,889
NET REVENUES	5,803,478	22	4,733	429,079	6,237,312
EXPENDITURES:					
Current:					
General Government	646,741	19	-	112,888	759,648
Education	1,693,681	-	-	2,109	1,695,790
Health & Human Services	1,663,576	-	-	1,067	1,664,643
Transportation	678,217	-	-	-	678,217
Law, Justice & Public Safety	333,560	-	-	2,798	336,358
Economic/Manpower Development	124,726	-	-	261,494	386,220
Regulation Of Business	17,304	-	-	-	17,304
Agriculture & Natural Resources	86,584	-	-	20	86,604
Capital Outlay	-	-	24,331	-	24,331
TOTAL EXPENDITURES	5,244,389	19	24,331	380,376	5,649,115
REVENUES OVER (UNDER) EXPENDITURES	559,089	3	(19,598)	48,703	588,197
OTHER FINANCING SOURCES (USES):					
Operating Transfers:					
Transfers In	89,922	14	16,152	39,657	145,745
Transfers Out	(55,441)	(604)	(2,691)	(19,921)	(78,657)
Transfers To Universities	(504,381)	-	-	-	(504,381)
Capital Lease Acquisitions	1,128	-	-	-	1,128
TOTAL OTHER FINANCING SOURCES (USES)	(468,772)	(590)	13,461	19,736	(436,165)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	90,317	(587)	(6,137)	68,439	152,032
FUND BALANCE JULY 1	(18,128)	780	23,422	641,280	647,354
FUND BALANCE JUNE 30	\$ 72,189	\$ 193	\$17,285	\$709,719	\$ 799,386

The notes are an integral part of the financial statements.

STATE OF IOWA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Budgetary Basis General Fund and Special Revenue Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

	GENERAL FUND			SPECIAL REVENUE		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
APPROPRIATED REVENUE:						
SPECIAL TAXES:						
Personal Income Tax	\$ 1,704,900	\$ 1,708,383	\$ 3,483	\$ -	\$ -	\$ -
Sales Tax	1,030,100	1,032,630	2,530	-	-	-
Corporation Income Tax	230,600	221,571	(9,029)	-	-	-
Use Tax	156,100	155,665	(435)	-	-	-
Inheritance Tax	84,300	79,070	(5,230)	-	-	-
Insurance Premium Tax	103,000	96,506	(6,494)	-	-	-
Cigarette & Tobacco Tax	96,000	94,679	(1,321)	-	-	-
Beer & Liquor Tax	12,500	12,468	(32)	-	-	-
Franchise Tax	27,100	32,923	5,823	-	-	-
Miscellaneous Tax	500	845	345	-	-	-
TOTAL SPECIAL TAXES	3,445,100	3,434,740	(10,360)	-	-	-
REIMBURSEMENTS & FEES:						
County Reimbursements	45,700	45,219	(481)	-	-	-
Liquor Transfers	22,800	24,250	1,450	-	-	-
Interest	4,800	7,581	2,781	-	-	-
Fees	53,613	51,455	(2,158)	-	-	-
Judicial Revenue	39,800	40,709	909	-	-	-
Third Party Reimbursements	58,071	55,659	(2,412)	-	-	-
Medical Education Reimbursements	14,000	12,063	(1,937)	-	-	-
Miscellaneous Receipts	26,100	26,880	780	-	-	-
Racing & Gaming Receipts	13,700	13,041	(659)	-	-	-
TOTAL RECEIPTS	3,723,684	3,711,597	(12,087)	-	-	-
Transfers	45,500	51,514	6,014	344,015	363,669	19,654
TOTAL APPROPRIATED REVENUE	3,769,184	3,763,111	(6,073)	344,015	363,669	19,654
RECEIPTS CREDITED TO APPROPRIATIONS:						
Sales Tax	-	-	-	4	5	1
Use Tax	-	-	-	1,947	1,947	-
Other Taxes	165	468	303	6,396	6,433	37
Federal Support	1,019,704	978,353	(41,351)	251,629	246,553	(5,076)
Local Governments	28,193	32,926	4,733	1,500	2,573	1,073
Other States	-	-	-	10,700	9,222	(1,478)
Internal Service Transfers	139,325	116,469	(22,856)	-	-	-
Internal Service Reimbursements	12,241	13,911	1,670	200	205	5
Interest	22	76	54	3,609	3,075	(534)
Fees & Licenses	2,041	1,273	(768)	19,197	17,323	(1,874)
Refunds & Reimbursements	60,553	73,882	13,329	2,236	4,684	2,448
Real Estate Sales	-	-	-	1,700	966	(734)
Equipment Salvage	2	-	(2)	25	39	14
Rents & Leases	1,165	1,091	(74)	13	24	11
Agricultural Sales	1	3	2	15	1	(14)
Other Sales	253	277	24	330	697	367
Unearned Receipts	3,250	3,446	196	752	(217)	(969)
Income Tax Checkoffs	-	-	-	180	188	8
Other	12,271	20,600	8,329	2,210	2,379	169
TOTAL APPROPRIATED RECEIPTS	1,279,186	1,242,775	(36,411)	302,643	296,097	(6,546)
TOTAL ALL REVENUE	5,048,370	5,005,886	(42,484)	646,658	659,766	13,108
REFUNDS OF TAXES COLLECTED	(307,400)	(307,841)	(441)	-	-	-
TOTAL REVENUES AVAILABLE	4,740,970	4,698,045	(42,925)	646,658	659,766	13,108

continued on next page

STATE OF IOWA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Budgetary Basis General Fund and Special Revenue Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

(Continued)

	GENERAL FUND			SPECIAL REVENUE		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
EXPENDITURES:						
Administration	329,015	309,163	19,852	2,427	1,918	509
Agriculture & Natural Resources	106,143	96,502	9,641	21,549	9,663	11,886
Economic Development	26,523	24,916	1,607	-	-	-
Education	2,064,622	2,071,741	(7,119)*	22,747	22,846	(99)*
Health & Human Rights	128,936	122,398	6,538	-	-	-
Human Services	1,688,784	1,632,726	56,058	-	-	-
Justice	230,885	230,843	42	-	-	-
Regulation	64,445	64,016	429	7,157	6,287	870
Transportation & Public Safety	46,512	48,812	(2,300)*	370,572	338,022	32,550
Capitals	2,275	879	1,396	-	-	-
TOTAL EXPENDITURES	4,688,140	4,601,996	86,144	424,452	378,736	45,716
Transfers	-	-	-	221,678	215,731	5,947
TOTAL EXPENDITURES AND TRANSFERS	4,688,140	4,601,996	86,144	646,130	594,467	51,663
REVENUES AVAILABLE OVER (UNDER) EXPENDITURES	52,830	96,049	43,219	528	65,299	64,771
OTHER FINANCING SOURCES (USES):						
Appropriations Funded From Prior Years	6,150	7,308	1,158	-	-	-
Unexpended Appropriations	(106)	(20,150)	(20,044)	-	-	-
GAAP Deficit Reduction Transfers:						
Human Services - Medical Assistance	(1,800)	(1,800)	-	-	-	-
Insurance Reserve Funds	(27,000)	(27,000)	-	-	-	-
Trust Fund Balance	-	(2,450)	(2,450)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(22,756)	(44,092)	(21,336)	-	-	-
REVENUES AVAILABLE OVER (UNDER) EXPENDITURES AND OTHER ITEMS	30,074	51,957	21,883	528	65,299	64,771
FUND BALANCE JULY 1	-	1,802	1,802	26,893	26,893	-
Statutory Transfer to Economic Emergency Fund	-	(1,802)	(1,802)	-	-	-
Prior Period Adjustment	-	-	-	15,954	15,954	-
FUND BALANCE JULY 1, RESTATED	-	-	-	42,847	42,847	-
FUND BALANCE JUNE 30	\$ 30,074	\$ 51,957	\$ 21,883	\$ 43,375	\$ 108,146	\$ 64,771

The prior period adjustment results from the State of Iowa re-examining the Codification of Governmental Accounting and Financial Reporting Standards Section 2400, and determining that one additional Special Revenue Fund with a balance at July 1, 1992, had a legally adopted budget beginning in fiscal year 1993.

* Actual expenditures exceeded budgeted expenditures as a result of receiving and legally expending federal funds in excess of budgeted amounts for the Departments of Education and Transportation.

** The Code of Iowa, Section 8.57, provides that the excess of revenues and other financing sources over expenditures and other financing uses at June 30, 1993, and subsequent years is to be transferred to the Cash Reserve Fund.

The notes are an integral part of the financial statements.

STATE OF IOWA

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances All Proprietary Fund Types and Similar Trust Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTAL (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	PENSION TRUST	
OPERATING REVENUES:					
Contributions	\$ -	\$ -	\$ -	\$ 304,986	\$ 304,986
Receipts From Other Entities	15,136	98,577	-	-	113,713
Investment Income	39,522	-	164	471,679	511,365
Fees, Licenses & Permits	13,370	563	-	2,019	15,952
Refunds & Reimbursements	645	34,515	-	-	35,160
Sales, Rents & Services	297,935	2,163	19	-	300,117
Miscellaneous	14,447	2,251	383	-	17,081
TOTAL OPERATING REVENUES	381,055	138,069	566	778,684	1,298,374
OPERATING EXPENSES:					
General & Administrative	135,906	-	-	20,194	156,100
Depreciation	1,403	13,930	-	-	15,333
Market Development	734	-	-	-	734
Prize Expense	116,820	-	-	-	116,820
Personal Services	-	5,638	-	-	5,638
Travel & Subsistence	-	8,290	-	-	8,290
Supplies & Materials	-	25,734	-	-	25,734
Contractual Services	-	10,412	-	-	10,412
Equipment & Repairs	-	5,327	-	-	5,327
Claims & Miscellaneous	-	66,356	91	-	66,447
Benefits	-	-	-	229,613	229,613
Refunds	-	21	-	22,610	22,631
Plant Improvements	-	35	-	-	35
TOTAL OPERATING EXPENSES	254,863	135,743	91	272,417	663,114
OPERATING INCOME	126,192	2,326	475	506,267	635,260
NONOPERATING REVENUES (EXPENSES):					
Taxes	11,679	469	-	-	12,148
Investment Income	18,421	61	54	-	18,536
Interest Expense	(46,828)	-	-	-	(46,828)
Gain On Sale Of Fixed Assets	30	1,118	-	-	1,148
Loss On Sale Of Fixed Assets	(16)	(678)	-	-	(694)
NET NONOPERATING REVENUES (EXPENSES)	(16,714)	970	54	-	(15,690)
INCOME BEFORE OPERATING TRANSFERS	109,478	3,296	529	506,267	619,570
OPERATING TRANSFERS:					
Transfers In	498	3,110	-	-	3,608
Transfers Out	(69,300)	(1,392)	(4)	-	(70,696)
TOTAL OPERATING TRANSFERS	(68,802)	1,718	(4)	-	(67,088)
NET INCOME	40,676	5,014	525	506,267	552,482
RETAINED EARNINGS/FUND BALANCES JULY 1	128,868	73,641	9,650	5,754,001	5,966,160
RETAINED EARNINGS/FUND BALANCES JUNE 30	\$ 169,544	\$ 78,655	\$10,175	\$ 6,260,268	\$ 6,518,642

The notes are an integral part of the financial statements.

STATE OF IOWA

Combined Statement of Cash Flows All Proprietary Fund Types and Nonexpendable Trust Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTAL (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received From Customers	\$ 320,231	\$128,635	\$ -	\$ 448,866
Other Operating Revenues	17,814	-	-	17,814
Cash Received From Miscellaneous	-	2,251	402	2,653
Cash Received On Loans Receivable	64,713	-	-	64,713
Interest Received	32,501	-	-	32,501
Cash Payments To Suppliers				
For Goods & Services	(134,194)	(109,153)	-	(243,347)
Cash Payments To Employees For Services	-	(5,704)	-	(5,704)
Cash Payments For Prizes	(116,754)	-	-	(116,754)
Purchase Of Loans Receivable	(33,124)	-	-	(33,124)
Cash Payments For Other Expenses	-	-	(91)	(91)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>151,187</u>	<u>16,029</u>	<u>311</u>	<u>187,527</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating Transfers In From Other Funds	696	3,798	-	4,494
Operating Transfers Out To Other Funds	(67,281)	(2,080)	-	(69,361)
Proceeds From Sale Of Revenue Bonds	163,464	-	-	163,464
Principal Paid On Revenue Bonds	(217,080)	-	-	(217,080)
Interest Paid	(39,070)	-	-	(39,070)
Tax Receipts	9,888	469	-	10,357
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>(149,383)</u>	<u>2,187</u>	<u>-</u>	<u>(147,196)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition & Construction Of Capital Assets	(61,908)	(21,542)	-	(83,450)
Interest Paid	(4,404)	-	-	(4,404)
Contributed Capital	296	-	-	296
Proceeds From Sale Of Capital Assets	86	2,791	-	2,877
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(65,930)</u>	<u>(18,751)</u>	<u>-</u>	<u>(84,681)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest & Dividends On Investments	31,091	59	143	31,293
Proceeds From Sale & Maturities Of Investments	62,213	-	183	62,396
Purchase Of Investments	(55,762)	-	(206)	(55,968)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>37,542</u>	<u>59</u>	<u>120</u>	<u>37,721</u>

continued on next page

STATE OF IOWA

(Continued)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTAL (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	
NET INCREASE IN CASH & CASH EQUIVALENTS	(26,584)	(476)	431	(26,629)
CASH & CASH EQUIVALENTS JULY 1	<u>128,274</u>	<u>16,693</u>	<u>6,807</u>	<u>151,774</u>
CASH & CASH EQUIVALENTS JUNE 30	101,690	16,217	7,238	125,145
INVESTMENTS	<u>480,008</u>	<u>-</u>	<u>566</u>	<u>480,574</u>
CASH & INVESTMENTS PER BALANCE SHEET	<u>\$ 581,698</u>	<u>\$ 16,217</u>	<u>\$ 7,804</u>	<u>\$ 605,719</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 126,192	\$ 2,326	\$ 475	\$ 128,993
Adjustments to Reconcile Operating Income To Net Cash Provided By Operating Activities				
Depreciation	1,449	13,930	-	15,379
Compensated Absences	34	35	-	69
Interest (Income)	(7,222)	-	(164)	(7,386)
Loss on Defeasance Of Debt	5,959	-	-	5,959
Loss On Sale Of Fixed Assets	8	-	-	8
(Increase) Decrease In Accounts Receivable	(4,667)	624	-	(4,043)
(Increase) Decrease In Due From Other Funds	(177)	(11,050)	-	(11,227)
(Increase) Decrease In Inventory	(1,250)	(2,483)	-	(3,733)
(Increase) Decrease In Prepaid Expense	(479)	(173)	-	(652)
(Increase) Decrease In Interest Receivable	298	-	-	298
(Increase) Decrease In Loans Receivable	31,661	-	-	31,661
(Increase) Decrease In Other Assets	(1,958)	-	-	(1,958)
Increase (Decrease) In Accounts Payable & Accruals	(2,464)	8,690	-	6,226
Increase (Decrease) In Interest Payable	27	-	-	27
Increase (Decrease) In Due To Other Funds	(3)	887	-	884
Increase (Decrease) In Prizes Payable	2,233	-	-	2,233
Increase (Decrease) In Billings & Cash	1,720	-	-	1,720
Increase (Decrease) In Deferred Revenue	<u>(174)</u>	<u>3,243</u>	<u>-</u>	<u>3,069</u>
Net Cash Provided By Operating Activities	<u>\$ 151,187</u>	<u>\$ 16,029</u>	<u>\$ 311</u>	<u>\$ 167,527</u>

Noncash investing, capital and financing activities:

Bond discount and issuance costs of \$4,805,552 were deducted from the proceeds of Revenue Bonds issued by enterprise funds. The discount and issuance costs will be amortized over the debt repayment period.

The notes are an integral part of the financial statements.

STATE OF IOWA

Combined Statement of Changes in Fund Balances University Funds

June 30, 1993
(Expressed in Thousands)

	CURRENT FUNDS		LOAN
	UNRESTRICTED	RESTRICTED	FUNDS
REVENUES & ADDITIONS:			
Educational & General Revenues	\$ 346,270	\$ -	\$ -
Auxiliary Enterprises Revenues	156,589	-	-
Sales & Services Of Health Care Units	340,320	-	-
Federal Grants & Contracts	-	234,469	796
Other Gifts, Grants & Contracts	-	81,326	1,000
Federal Appropriations	-	11,810	-
Investment & Endowment Income	-	2,842	158
Interest Income	-	-	1,529
Realized Gains/(Losses)	-	-	-
Expended For Plant Facilities	-	-	-
Retirement Of Indebtedness	-	-	-
Fees & Other Additions	-	672	82
TOTAL REVENUES & ADDITIONS	843,179	331,119	3,565
EXPENDITURES & OTHER DEDUCTIONS:			
Educational & General Expenditures	681,357	303,412	-
Indirect Costs Recovered	-	37,167	46
Auxiliary Enterprises Expenditures	152,373	-	-
Health Care Units Expenditures	359,590	-	-
Independent Operations	-	36,913	-
Loan Cancellation & Write-Off	-	-	519
Administrative & Collection Cost	-	-	504
Expended For Plant Facilities	-	-	-
Retirement Of Indebtedness	-	-	-
Interest On Indebtedness	-	-	-
Adjustment To Plant Facilities	-	-	-
Bond Issuance Cost Amortization	-	-	-
Other	-	-	-
TOTAL EXPENDITURES & OTHER DEDUCTIONS	1,193,320	377,492	1,069
TRANSFERS ADDITIONS (DEDUCTIONS):			
Mandatory Transfers, Net	(91,398)	12	86
Transfers In - State General Fund	457,410	46,971	-
Debt Proceeds For Plant Additions	-	-	-
Nonmandatory Transfers, Net	(15,754)	(1,317)	(109)
TOTAL TRANSFERS	350,258	45,666	(23)
NET INCREASE (DECREASE) IN FUND BALANCE	117	(707)	2,473
FUND BALANCE JULY 1	139,518	33,584	62,009
Prior Period Adjustments	(592)	-	-
FUND BALANCE JULY 1, RESTATED	138,926	33,584	62,009
FUND BALANCE JUNE 30	\$ 139,043	\$ 32,877	\$ 64,482

The notes are an integral part of the financial statements.

STATE OF IOWA

ENDOWMENTS & SIMILAR FUNDS	PLANT FUNDS				TOTAL
	UNEXPENDED	RENEWALS & REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346,270
-	-	-	-	-	156,589
-	-	-	-	-	340,320
-	6,491	-	19	-	241,775
11	1,483	780	934	1,085	86,619
-	-	-	-	-	11,810
1,068	764	11	(134)	-	4,709
-	834	2,925	1,059	-	6,347
1,586	-	-	-	-	1,586
-	-	-	-	140,712	140,712
-	-	-	-	25,228	25,228
-	1,653	(68)	270	-	2,609
<u>2,665</u>	<u>11,225</u>	<u>3,648</u>	<u>2,148</u>	<u>167,025</u>	<u>1,364,574</u>
-	-	-	-	-	984,769
-	-	-	-	-	37,213
-	-	-	-	-	152,373
-	-	-	-	-	359,590
-	-	-	-	-	36,913
-	-	-	-	-	519
-	-	-	-	-	504
-	77,800	12,685	-	-	90,485
-	-	-	25,538	-	25,538
-	-	-	29,983	-	29,983
-	-	-	-	21,961	21,961
-	-	-	-	17	17
500	-	-	163	430	1,093
<u>500</u>	<u>77,800</u>	<u>12,685</u>	<u>55,684</u>	<u>22,408</u>	<u>1,740,958</u>
12	8,955	29,735	52,602	(4)	-
-	19,287	-	-	(19,287)	504,381
700	32,430	(16,924)	1,472	(498)	-
<u>712</u>	<u>60,672</u>	<u>12,811</u>	<u>54,074</u>	<u>(19,789)</u>	<u>504,381</u>
<u>2,877</u>	<u>(5,903)</u>	<u>3,774</u>	<u>538</u>	<u>124,828</u>	<u>127,997</u>
47,994	115,641	33,690	62,361	1,649,378	2,144,175
-	-	-	-	-	(592)
<u>47,994</u>	<u>115,641</u>	<u>33,690</u>	<u>62,361</u>	<u>1,649,378</u>	<u>2,143,583</u>
<u>\$ 50,871</u>	<u>\$ 109,738</u>	<u>\$ 37,464</u>	<u>\$ 62,899</u>	<u>\$ 1,774,206</u>	<u>\$ 2,271,580</u>

STATE OF IOWA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances University Funds

June 30, 1993
(Expressed in Thousands)

	CURRENT FUNDS		
	UNRESTRICTED	RESTRICTED	TOTAL
REVENUES:			
Educational & General:			
Tuition & Fees	\$ 200,495	\$ -	\$ 200,495
Federal Appropriations	50	11,798	11,848
Federal Grants & Contracts	35,810	206,214	242,024
Other Grants & Contracts	8,790	73,538	82,328
Investment & Endowment Income	19,772	1,390	21,162
Sales & Services Of Educational Departments	37,037	-	37,037
Other	<u>44,316</u>	<u>415</u>	<u>44,731</u>
Total Educational & General Revenues	346,270	293,355	639,625
Auxiliary Enterprises Revenues	156,589	-	156,589
Sales & Services Of Health Care Units	<u>340,320</u>	<u>-</u>	<u>340,320</u>
TOTAL REVENUES	<u>843,179</u>	<u>293,355</u>	<u>1,136,534</u>
EXPENDITURES & MANDATORY TRANSFERS:			
Educational & General:			
Instruction	335,070	13,790	348,860
Research	24,266	189,449	213,715
Public Service	34,726	48,100	82,826
Academic Support	93,790	3,705	97,495
Student Services	33,567	1,790	35,357
Institutional Support	68,150	3,930	72,080
Operation & Maintenance Of Plant	64,706	151	64,857
Student Aid	<u>27,082</u>	<u>42,497</u>	<u>69,579</u>
Total Educational & General Expenditures	681,357	303,412	984,769
Auxiliary Enterprises Expenditures	152,373	-	152,373
Health Care Units Expenditures	359,590	-	359,590
Independent Operations	-	36,913	36,913
Mandatory Transfers, Net	<u>91,398</u>	<u>(12)</u>	<u>91,386</u>
TOTAL EXPENDITURES & MANDATORY TRANSFERS	<u>1,284,718</u>	<u>340,313</u>	<u>1,625,031</u>
OTHER TRANSFERS & ADDITIONS (DEDUCTIONS):			
Excess Of Restricted Receipts Over Transfers To Revenue	-	597	597
Transfers In - State General Fund	457,410	46,971	504,381
Nonmandatory Transfers, Net	<u>(15,754)</u>	<u>(1,317)</u>	<u>(17,071)</u>
TOTAL OTHER TRANSFERS & ADDITIONS (DEDUCTIONS)	<u>441,656</u>	<u>46,251</u>	<u>487,907</u>
NET INCREASE IN FUND BALANCE	\$ 117	\$ (707)	\$ (590)

The notes are an integral part of the financial statements.

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the State of Iowa have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The financial statements of the University of Northern Iowa, University of Iowa and Iowa State University (University Funds) are reported in conformity with GAAP as established by the American Institute of Certified Public Accountants (AICPA).

B. Financial Reporting Entity

For financial reporting purposes, the State of Iowa includes all fund types, account groups, departments and agencies of the State, as well as boards, commissions, authorities, and universities for which oversight responsibility is exercised by the State's executive, legislative, and judicial branches. The criteria considered in establishing oversight responsibility, as set forth by the GASB, includes: financial responsibility, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Other factors used in evaluating inclusion are scope of public service and special financing relationships.

Based on the application of these criteria, the following component units are included within the reporting entity:

- University of Northern Iowa
- University of Iowa
- Iowa State University
- Iowa Finance Authority
- Iowa Agricultural Development Authority
- Iowa Higher Education Loan Authority
- Iowa School for the Deaf
- Iowa Braille and Sight Saving School
- State of Iowa Facilities Improvement Corporation
- Iowa Egg Council
- Iowa Lottery
- Iowa Peace Institute
- Judicial Districts
- Judicial Department - Clerks of Court
- International Network on Trade, Inc.
- Iowa Public Television Foundation
- Friends of Iowa Public Television
- Wallace Technology Transfer Foundation of Iowa
- Iowa Historical Foundation

The following component units with fiscal years ending other than on June 30th are included within the reporting entity:

- Iowa State Fair Authority (October 31)
- Iowa Turkey Marketing Council (December 31)
- Iowa Soybean Promotion Board (August 31)
- Iowa Corn Promotion Board (August 31)
- Iowa Centennial Memorial Foundation (May 31)
- Iowa State Industries - Farms (December 31)

Based on the application of the above criteria, the following have not been included in the reporting entity: Area Education Agencies, Area Agencies on Aging, Area Community Colleges, Water Resource Districts, Lawyer Trust Account Commission, Commission on Continuing Legal Education, Client Security and Attorney Disciplinary Commission, Iowa Comprehensive Health Insurance Association, Iowa Insurance Guaranty Association, Iowa Life and Health Guaranty Association, and Business Development Finance Corporation. These agencies were not included in the reporting entity due to their autonomy in governing authority and accountability for fiscal matters.

Also, based on the application of the above criteria, the following University related organizations have not been included in the reporting entity: University of Iowa Alumni Association, University of Iowa Foundation, Student Publications Incorporated, Oakdale Research Park, University of Northern Iowa Alumni Association, University of Northern Iowa Foundation, Friends of KHKE/KUNI, Iowa State University Foundation, Iowa State University Agricultural Foundation, Iowa State University Committee for Agricultural Development, Iowa Crops and Soils Research Association, Iowa State University Research Foundation, Inc., Iowa State Daily, Iowa State University Press, Memorial Union, Iowa 4-H Foundation and Iowa State University Research Park Corp. These organizations, are non-profit corporations, controlled by separate boards of directors, whose goals are primarily to provide support to the Universities. They receive funds primarily through donations and dues, and contribute funds to the Universities for student scholarships, program support to Intercollegiate Athletics, program support to Broadcasting Services, and general institutional support.

Iowa State University Broadcasting Corp. and Iowa State University Equity Corp. are wholly owned subsidiaries of Iowa State University and as such, their net book value is included as an asset of Iowa State University's current unrestricted fund group. Musser-Davis Land Corporation, given by bequest to the University of Iowa, is a wholly owned subsidiary of the

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

University of Iowa and as such, its net book value is included as an asset of the University of Iowa's Endowment Fund.

Effective July 1, 1993, the criteria determining component units within the reporting entity will be modified to meet the requirements of GASB Statement No. 14, The Financial Reporting Entity. Accordingly, certain organizations listed above may become component units under the new standards.

C. Fund Accounting

The accounts of the State of Iowa are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. For financial statement presentation, funds with similar characteristics, including those component units referenced above, are grouped into fund categories and fund types. The various funds are grouped in these financial statements as follows:

Governmental Funds

The General Fund- is the principal operating fund of the State and is used to account for all financial resources except for those accounted for in another fund.

Special Revenue Funds- to account for the proceeds of specific revenue sources (other than expendable trusts or capital projects) that are legally restricted to expenditures for a specified purposes.

Capital Projects Funds- to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds).

Proprietary Funds

Enterprise Funds- to account for operations (a) that are financed and operated in a manner similar to private business enterprise - where the intent of the State is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the State has decided that periodic determination of revenues earned, expenses

incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds- to account for the financing of goods or services provided by one department or agency to other departments or agencies of the State, or to other governmental units, on a cost reimbursement basis.

Fiduciary Funds

Trust and Agency Funds- to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include (a) Expendable Trust Funds, (b) Nonexpendable Trust Funds, (c) Pension Trust Funds, and (d) Agency Funds.

University Funds

Current Funds- to account for resources that will be expended in the near term for operating purposes. These include unrestricted funds over which the governing boards retain full control in achieving the institutions purposes and restricted funds which may be utilized only in accordance with externally restricted purposes.

Fiduciary Funds- to account for assets held by loan, endowment, life income, and agency funds in which the Universities act in a fiduciary capacity.

Plant Funds- to account for institutional property acquisition, renewal, replacement, debt service, and investment.

Account Groups

General Fixed Assets Account Group- to account for all fixed assets of the State, other than those accounted for in the proprietary funds and trust funds.

General Long-Term Debt Account Group- to account for all long-term debt of the State except that accounted for in the proprietary funds and trust funds.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

Modified Accrual Basis- All governmental funds, Expendable Trust and Agency funds are accounted for using the modified accrual basis of accounting. The governmental and Expendable Trust funds are accounted for using the current financial resources measurement focus. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available.) "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Receipts from other entities, fees, and reimbursements are recognized under the modified accrual basis of accounting. Expenditures are recognized when the related fund liability is incurred. Exceptions to the general modified accrual expenditure recognition criteria include principal and interest on general long-term debt indebtedness which are recognized when due and compensated absences which are recognized when paid. Income tax refunds are accrued when claims have been received by June 30, of the fiscal year. Income taxes, sales tax, licenses and permits, charges for services, fines and forfeits and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Accrual Basis- All Proprietary, Nonexpendable Trust and Pension Trust funds are accounted for using the accrual basis of accounting. These funds are accounted for on a flow of economic resources measurement focus.

All assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total assets) is segregated into contributed capital and retained earnings components. Operating statements present increases (revenues) and decreases (expenses) in net total assets. Revenues are recognized when earned and expenses are recognized when incurred.

The University funds are accounted for using the accrual basis of accounting, with the following exceptions:

1. Depreciation related to plant assets generally is not recorded.
2. Revenues and expenditures of an academic term encompassing more than one fiscal year

are solely reported in the fiscal year in which the program is predominantly conducted.

Lottery Revenues and Prizes

Instant ticket revenues are recognized upon the sale of tickets to the public. Revenues for instant games in progress are estimated based upon a statistical projection of ticket sales to the public determined from the number of winning tickets redeemed through the end of the accounting period. Revenues for Lotto are recognized weekly, after the jackpot drawing is held. Deferred revenue represents lotto tickets sold for future prize drawings.

The prize liability for instant games is determined and recognized based on a winning ticket tier. The prize liability for the Lotto game is determined by actual matches and is recognized weekly, after the jackpot drawing is held.

E. Budgeting and Budgetary Control

The budget of the State encompasses some Special Revenue funds, (Iowa Plan Fund - Surplus, Iowa Fund for Economic Development, Pari-Mutuel Use Tax Clearing, AFIS Mainframe Use Tax Clearing, Inspection and Appeals Use Tax Clearing, Underground Storage Tank Unassigned Revenue, Resources Enhancement and Protection, Fish and Game Fund, Conservation Administration Fund, Guaranteed Student Loan Administration, Real Estate Education, Special Contingency Fund, Administration Contribution Surcharge, Unclaimed Winnings, Use Tax Local AFIS, and Primary Road Fund) and the General Fund. For Special Revenue funds budgeted see Budgeted Special Revenue Fund Report. Capital Project funds are budgeted on a project-length basis. The budget is prepared on a cash basis of accounting, except for the accrual of certain revenues (sales tax, use tax and taxpayer assessed revenues).

The State's budget is prepared by the Governor on an annual basis and is required to be submitted along with proposed appropriation bills to the General Assembly by the first of February prior to the new fiscal year. When an appropriation bill is passed by both houses of the General Assembly, the bill is enrolled and sent to the Governor. The Governor may sign it into law or veto it in whole or in part on a line item basis. Funds may be disbursed only after appropriations have been allotted by the Department of Management, subject to the review of the Governor, with the exception of standing unlimiteds and certain receipts that the Departments are authorized to expend.

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

Departments may request allotment revisions, appropriation transfers, or supplemental appropriations. The Department of Management approves revised allotments, subject to the Governor's review. The General Assembly and the Governor act on supplemental appropriation bills in a manner similar to original appropriations. No General fund supplemental appropriations were made for fiscal year 1993. Appropriations lapse at fiscal year-end and all unencumbered or unobligated balances revert to the state treasury.

The State utilizes encumbrance accounting for budgetary control purposes. Obligations incurred for goods or services that have not been received or rendered, are recorded to reserve that portion of the applicable fund balance. Chapter 8, section 33, unnumbered paragraph 2, of the Code of Iowa, states, "No payment of an obligation for goods or services shall be charged to an appropriation subsequent to the last day of the fiscal year for which the appropriation is made unless the goods or services are received on or before the last day of the fiscal year, except that repair projects, purchase of specialized equipment and furnishings, and other contracts for services and capital expenditures for the purchase of land or the erection of buildings or new construction or remodeling, which were committed and in progress prior to the end of the fiscal year are excluded from this provision." That is, except for the above stated exceptions, the State must have received the goods or services on or before June 30, creating an actual liability, or the encumbrance is cancelled against that fiscal year. If the encumbrances are still valid after June 30, they become expenditures/expenses of the next fiscal year.

Budgetary control is essentially maintained at the departmental fund level except for certain grant and aid programs where control is at a program level.

Revenues and expenditures are monitored on a continuing basis. State law authorizes the Governor to impose across-the-board pro rata reductions in expenditures to ensure revenues and other available funds are sufficient to pay expenses of a given fiscal year.

Separate reports for the General and budgeted Special Revenue funds showing the detail of legal level of control and actual expenditures are available from the Iowa Department of Management.

F.Cash and Investments

Cash in most funds is held in the state treasury and is commingled in State bank accounts. The cash in individual funds may be invested separately, where

permitted by statute. However, cash in most funds is invested as part of an investment pool.

Investment earnings of the pools are allocated to the individual funds where provided by statute; earnings for all other funds are credited to the General fund.

The Treasurer's deposits throughout the year and at year end were entirely covered by the Federal Depository Insurance Corporation or collateral held by the Treasurer of State's custodial banks in the Treasurer of State's name.

The Treasurer of State may invest in obligations of the U.S. Treasury and U.S. agencies, prime eligible banker's acceptances, perfected repurchase agreements, certain high rated commercial paper or other evidence of indebtedness as approved by Section 12B.10 of the Code of Iowa.

Equity securities are reported at cost, which is determined on a first-in, first-out basis. Fixed-income securities are reported at amortized cost for securities purchased at a premium using the scientific interest method and at cost for other securities. Plan assets of Internal Revenue Code Section 457 deferred compensation plans are reported at market value in the Agency Fund.

Cash and cash equivalents include currency on hand, demand deposits with banks or other financial institutions, investments readily convertible to known amounts of cash, and investments so near their maturity that they present insignificant risk of changes in value because of changes in interest rate.

G.Accounts Receivable

Accounts receivable have been established and offset with proper provisions for estimated uncollectible accounts where applicable. Practically all receivables of governmental funds are due from other governmental entities, primarily the federal government, and are considered collectible. Receivables in other funds have arisen in the ordinary course of business.

H.Interfund Receivables and Payables

During the course of its operations, the State has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been received as of June 30, 1993, balances of interfund amounts receivable or payable have been recorded. (See NOTE 5.)

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

I. Inventories

Inventories are valued at cost, which approximates market. The first-in/first-out (FIFO) cost flow method is used for the majority of inventories. Costs of inventories are recorded as expenditures when purchased. Expenditures are adjusted at fiscal year-end to correlate with the consumption method. Inventory asset amounts are not available for budgetary appropriation as they have been charged to expenditures when purchased rather than when used.

J. Fixed Assets

All purchased fixed assets are recorded at cost or, if cost is not practically determinable, at estimated cost. Donated fixed assets are recorded at fair market value at the date of acquisition. Infrastructure assets such as highways, curbs, bridges, and lighting systems are not capitalized.

Governmental and Agency- fixed assets are accounted for in the General Fixed Assets Account Group. Depreciation is not recorded for general fixed assets and interest during construction is considered immaterial and is not capitalized.

Proprietary, Expendable, Nonexpendable, and Pension Trust funds- fixed assets are referred to as fund fixed assets and are accounted for in the acquiring fund. Interest during construction is capitalized and depreciation is recorded on a straight-line basis over the assets' estimated useful lives. While Expendable Trust Funds report fixed assets, they do not record depreciation. The following lives are used:

Buildings	40-50 years
Improvements Other Than Buildings	20-50 years
Equipment	2-20 years
Vehicles	3-10 years

K. Compensated Absences

State employees accrue vacation, sick, and compensatory leave at rates specified in the Code of Iowa and/or collective bargaining agreements. Accumulated unused vacation leave is payable upon termination of employment. Accumulated unused sick leave is payable only upon retirement and only to limits specified in the Code of Iowa and/or collective bargaining agreements. Accumulated unused compensatory leave is payable at fiscal year end.

Compensated absences liability for governmental funds is recorded in the General Long-Term Debt Account Group. For all other funds the liability is recorded as a liability of the fund. Compensated absences liability is determined based on current rates of pay.

L. Bond Discounts/Issuance Costs

In governmental fund types, bond discount and issuance costs are recognized in the current period, except for capital appreciation bonds which handle discounts similar to proprietary fund types. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the terms of the bonds using the bonds-outstanding method or straight-line method, which approximates the effective interest method. Bond issuance costs in university funds are deferred and amortized over the term of the bonds using the straight-line method which approximates the effective interest method.

M. Interfund Transactions

Quasi-External Transactions- Transactions that would be treated as revenues, expenditures, or expenses if they involved organizations external to the state are accounted for as revenues, expenditures, or expenses in the funds involved.

Reimbursements- Reimbursements of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Residual Equity Transfers- Nonrecurring or nonroutine transfers between funds are reported as additions to or deductions from the beginning fund equity balance.

Operating Transfers- Legally authorized transfers other than residual equity transfers are reported as operating transfers in the financial statements.

N. Totals (Memorandum Only)

Total columns on the Combined Financial Statements are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. The amounts displayed in these columns do not present consolidated financial information. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - CASH AND INVESTMENTS

The carrying amount of cash at June 30 is \$774,129,426 and the bank balance is \$796,485,929. The bank balance at June 30 is insured or collateralized as follows:

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

\$780,864,295 is covered by federal depository insurance or by collateral held by the State's agent in the State's name and \$15,621,634 is covered by collateral held in the pledging bank's trust department in the State's name.

Investments at June 30, 1993, are categorized below by credit risk (expressed in thousands). The three types of credit risk are:

Category 1 - Insured or registered securities or securities held by the State or its agent in the State's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the State's name.

Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the State's name. (This includes the portion of the carrying amount of any repurchase agreement that exceeds the market value of the underlying securities.)

All Fund Types except Pension Trusts

	1	Category 2	3	Carrying Amount	Market Value
U.S. Government Securities	\$472,376	\$ 196,561	\$ 98	\$ 669,035	\$ 695,201
Common & Preferred Stock	2,473	-	-	2,473	184
Corporate Notes	21,875	-	-	21,875	21,878
Repurchase Agreements	199,544	37,786	-	237,330	237,330
	<u>\$696,268</u>	<u>\$ 234,347</u>	<u>\$ 98</u>	930,713	954,593
Unclaimed Property				2,524	2,524
Deferred Compensation				93,420	93,420
Money Market & Mutual Funds				36,293	36,347
Investment Agreements				200,506	200,506
Annuities				231	231
Investments Pools				10,030	10,348
Total Investments				<u>\$ 1,273,717</u>	<u>\$ 1,297,969</u>

Pension Funds

	1	Category 2	3	Carrying Amount	Market Value
U.S. Government Securities	\$ 9,643	\$ -	\$ -	\$ 9,643	\$ 9,919
Common & Preferred Stock	2,019,348	-	-	2,019,348	2,584,305
Bonds & Notes	2,018,111	-	-	2,018,111	2,157,445
Foreign Currency	-	9,937	-	9,937	9,833
	<u>\$ 4,047,102</u>	<u>\$ 9,937</u>		4,057,039	4,761,502
Mutual Funds				810,784	890,958
Short Term Investment Funds				430,069	430,069
Real Estate Partnerships				626,533	444,879
Venture Capital Partnerships				67,417	93,646
Special Equity Partnerships				366,359	513,805
Total Investments				<u>\$ 6,358,201</u>	<u>\$ 7,134,859</u>

University Funds

	1	Category 2	3	Carrying Amount	Market Value
U.S. Government Securities	\$ 3,895	\$ 166,592	\$ 202,228	\$372,715	\$380,319
Common & Preferred Stock	5	25,756	-	25,761	30,878
Corporate Notes	50	259	2,262	2,571	2,682
Corporate Bonds	-	501	-	501	521
Municipal Securities	-	-	96	96	96
Other	9	-	-	9	9
	<u>\$ 3,959</u>	<u>\$ 193,108</u>	<u>\$ 204,586</u>	<u>\$401,655</u>	<u>\$414,507</u>
Money Market & Mutual Funds				146,680	149,397
Investment Pools				1,352	1,460
Real Estate				540	540
Total Investments				<u>\$550,227</u>	<u>\$565,904</u>

Cash & Investment Reconciliation

Investments Per Above Schedules:

Other Than Pension	\$ 1,273,717
Pension Trust	6,358,201
Universities	<u>550,227</u>
Total	\$8,182,145

Cash	774,130
Outstanding Warrants	(83,023)
Other Reconciling Items	<u>(4,409)</u>

Cash & Investments	<u>\$8,868,843</u>
--------------------	--------------------

Deposits With Trustees

The carrying amount of cash at June 30 is \$16,274,242 and the bank balance is \$16,274,242. The bank balance at June 30 is insured as follows: \$15,700,401 is covered by Federal depository insurance or by collateral held by the State's agent in the State's name, and \$573,841 is uninsured or uncollateralized.

The investments at June 30, 1993, for Deposit With Trustees are as follows (expressed in thousands):

	1	Category 2	3	Carrying Amount	Market Value
U. S. Government Securities	\$ 3,001	\$ 2,880	\$ 368	\$ 6,249	\$ 6,372
Repurchase Agreements	378	-	-	378	378
Municipal Securities	197	-	49	246	241
	<u>\$ 3,576</u>	<u>2,880</u>	<u>417</u>	6,873	6,991
Mutual Funds				<u>13,823</u>	<u>13,823</u>
Total Investments				<u>\$ 20,696</u>	<u>\$ 20,814</u>

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 1993, are presented below (expressed in thousands):

	TRANSFERS IN							Total
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Expendable Trust	University	
TRANSFERS OUT								
General	\$ -	\$14	\$ 14,973	\$ -	\$3,106	\$37,348	\$504,381	\$ 559,822
Special Revenue	501	-	103	-	-	-	-	604
Capital Projects	2,691	-	-	-	-	-	-	2,691
Enterprise	68,279	-	1,021	-	-	-	-	69,300
Internal Service	890	-	-	498	4	-	-	1,392
Expendable Trust	17,561	-	55	-	-	2,305	-	19,921
Nonexpendable Trust	-	-	-	-	-	4	-	4
Total	<u>\$ 89,922</u>	<u>\$14</u>	<u>\$ 16,152</u>	<u>\$498</u>	<u>\$3,110</u>	<u>\$39,657</u>	<u>\$504,381</u>	<u>\$ 653,734</u>

NOTE 4 - RECEIVABLES

Receivables at June 30, 1993, consisted of the following (expressed in thousands):

	General	Capital Projects	Enterprise	Internal Service	Expendable Trust	Non-expendable Trust	Pension	Agency	University	Total (Memo Only)
Accounts Receivable	\$ 235,207	\$ 220	\$ 10,248	\$ 492	\$ 4,226	\$ -	\$ 399,660	\$ 8,497	\$ 222,865	\$ 881,415
Interest Receivable	20	52	5,896	-	1	15	30,545	-	7,348	43,877
Notes Receivable	3,685	-	-	-	47	-	-	-	61,161	64,893
Loans Receivable	56,798	21	233,282	-	-	-	-	-	-	290,101
Unemployment Benefits Receivable	-	-	-	-	18,854	-	-	-	-	18,854
Subtotal	295,710	293	249,426	492	23,128	15	430,205	8,497	291,374	1,299,140
Less: Allowance for Uncollectible Receivables	<u>16,837</u>	-	<u>32</u>	-	<u>8,415</u>	-	-	-	<u>56,633</u>	<u>81,917</u>
Total	<u>\$ 278,873</u>	<u>\$ 293</u>	<u>\$ 249,394</u>	<u>\$ 492</u>	<u>\$14,713</u>	<u>\$ 15</u>	<u>\$ 430,205</u>	<u>\$ 8,497</u>	<u>\$ 234,741</u>	<u>\$ 1,217,223</u>

NOTE 5 - INTERFUND RECEIVABLE/PAYABLE

Interfund receivables and payables include current due from/to other funds at June 30, 1993, along with receivables and payables which may be long-term in nature.

The Department of Employment Services, thru the General Fund, has borrowed funds made available through the Reed Act, to purchase office space and computer equipment. The amount owed at June 30, 1993, is \$689,943, which is reported as a due to in the General fund and a due from in the Expendable Trust fund.

The Historical Society was authorized to borrow up to \$3,050,000 from the Permanent School Fund. As of June 30, 1993 the amount owed was \$2,267,735. This amount was reported as a due to in the General fund and a due from in the Nonexpendable Trust fund. Currently, no payment plan has been set up, but the principal is due by the end of fiscal year 1998.

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

Interfund due from/to other funds, at June 30, 1993, are summarized as follows (expressed in thousands):

	DUE FROM OTHER FUNDS									Total Due To Other Funds
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Expendable Trust	Non-expendable Trust	Agency	University Funds	
DUE TO OTHER FUNDS										
General	\$ -	\$ 14	\$ 254	\$ 317	\$ 19,980	\$ 11,856	\$ 2,268	\$ 23,034	\$ -	\$ 57,723
Special Revenue	-	-	-	-	-	-	-	-	-	-
Capital Projects	11	-	-	-	145	-	-	-	-	156
Enterprise	1,822	-	1,021	-	329	2	-	-	-	3,174
Internal Service	44	-	-	74	2,010	1	-	-	-	2,129
Expendable Trust	506	-	55	-	13	81	-	-	-	655
Nonexpendable Trust	-	-	-	-	-	41	-	-	-	41
Agency	8,380	-	-	392	3	1,290	129	-	-	10,194
University Funds	-	-	-	-	-	-	-	-	116	116
Total Due From										
Other Funds	<u>\$ 10,763</u>	<u>\$ 14</u>	<u>\$ 1,330</u>	<u>\$ 783</u>	<u>\$ 22,480</u>	<u>\$ 13,271</u>	<u>\$ 2,397</u>	<u>\$ 23,034</u>	<u>\$ 116</u>	<u>\$ 74,188</u>

Interfund receivables/payables are detailed below (expressed in thousands):

	Due From	Due To		Due From	Due To
General Fund	10,763	57,723	Expendable Trust Funds:		
			Unemployment Benefits	1,016	-
Special Revenue Funds:			Health Insurance Premium		-
Scholarship & Tuition Grant Reserve	14	-	Operating	616	-
			Health Insurance Premium Reserve	10,595	-
Capital Project Funds:			Long Term Disability Premium	162	-
Resources Enhancement & Protection	46	85	Other Expendable Trust Funds	882	655
Headquarters STARC Armory	136	64	Total Expendable Trust Funds	13,271	655
Other Capital Projects Funds	1,148	7			
Total Capital Project Funds	1,330	156	Nonexpendable Trust Funds:		
			Permanent School Fund	2,359	-
Enterprise Funds:			First in the Nation Education	38	-
State Communication Network	391	6	Other Nonexpendable Trust Funds	-	41
Iowa Lottery	-	3,112	Total Nonexpendable Trust Funds	2,397	41
Other Enterprise Funds	392	56			
Total Enterprise Funds	783	3,174	Agency Funds:		
			Pooled Money Investment	1	9,400
Internal Service Funds:			Centralized Payroll Trustee	12	108
Depreciation Revolving	131	647	Other Agency Funds	23,021	686
Centralized Purchasing Revolving	16,210	691	Total Agency Funds	23,034	10,194
Telephone Revolving	1,019	196			
Materials Equipment & Revolving	3,287	16	University Funds		
Other Internal Service Funds	1,833	579	Unrestricted	10	111
Total Internal Service	22,480	2,129	Restricted	-	5
			Endowment & Similar Funds	101	-
			Retirement of Indebtedness	5	-
				116	116
			Total	<u>74,188</u>	<u>74,188</u>

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 - FIXED ASSETS

A summary of changes in general fixed assets by major classes of fixed assets follows (expressed in thousands):

	Balance July 1	Addi- tions	Deletions/ Net Transfers	Adjust- ments	Balance June 30
Land	\$ 93,522	\$ 8,441	\$ 262	\$ 454	\$ 102,155
Buildings	406,243	32,939	1,372	1,408	439,218
Improvements Other Than Buildings	7,747	5,001	151	606	13,203
Equipment	175,502	24,090	6,176	251	193,667
Vehicles	24,843	5,549	5,478	110	25,024
Construction in Progress (CIP)	28,320	5,320	6,420	(25,077)	2,143
Total	\$ 736,177	\$81,340	\$19,859	\$(22,248)	\$ 775,410

General fixed assets purchased with resources provided by outstanding capital lease agreements at June 30, 1993, consisted of equipment costing \$9,546,668.

A summary of proprietary fund type, expendable trust fund type, and University fixed assets as of June 30, 1993, follows (expressed in thousands):

	Enter- prise	Internal Service	Expend- able Trust	Pension Trust	Univer- sity
Land	\$ 1,157	\$ -	\$ -	\$ -	\$ 17,545
Buildings	14,919	616	-	-	1,211,154
Improvements Other Than Buildings	195	-	-	-	251,309
Equipment	32,084	162,836	285	1,781	772,006
Vehicles	1,538	1,112	-	-	-
CIP	62,053	-	-	-	11,813
Total	111,946	164,564	285	1,781	2,263,827
Less Accumulated Depreciation	16,247	100,992	-	1,144	-
Total	\$ 95,699	\$63,572	\$ 285	\$ 637	\$2,263,827

Proprietary fund type fixed assets purchased under capital lease agreements include equipment totaling \$99,246. Accumulated amortization for equipment purchased under capital leases totals \$65,552, including \$16,854 of amortization for fiscal year ended June 30, 1993. Capitalized interest for the fiscal year ended June 30, 1993 was \$3,207,048, with related interest income of \$2,312,482 and interest expense of \$5,936,675.

NOTE 7 - INVESTMENT IN PRIZE ANNUITIES AND ANNUITY PRIZES PAYABLE

Assets totaling \$80,229,236, which includes \$158,785 of prepaid expense, are held by the Lottery Division for the purpose of paying installment prizes which have already been won but will not be completely paid until 2017. Annuity Prizes Payable does not include an additional liability of \$28,295 to taxing authorities which is classified as accounts payable. The following is a schedule of future payments (expressed in thousands):

Year Ending June 30,	Current	Long-Term	Total Payments
1994	\$9,473	\$ -	\$ 9,473
1995	-	9,473	9,473
1996	-	9,473	9,473
1997	-	9,473	9,473
1998	-	9,473	9,473
1999-2017	-	100,728	100,728
Total Future Value	9,473	138,620	148,093
Less: Unamortized Discount	365	67,527	67,892
Present Value of Payments	\$9,108	\$ 71,093	\$80,201

NOTE 8 - GENERAL LONG-TERM DEBT ACCOUNT GROUP

Changes in general long-term obligations for the year ended June 30, 1993, are summarized as follows (expressed in thousands):

	Balance July 1	Additions	Deletions	Balance June 30
Compensated Absences	\$ 75,480	\$ 71,871	\$ 70,202	\$ 77,149
Capital Leases	4,726	1,127	2,406	3,447
Revenue Bonds Payable	85,098	7	2,894	82,211
Other Financing Arrangements Payable	33,815	2,379	4,840	31,354
Installment Purchases	6,121	516	2,289	4,348
Special Termination Benefits	585	2,820	585	2,820
Pension Liabilities	2,544	-	1,471	1,073
Long-Term Tax Refunds Payable	-	61,503	-	61,503
Other Liabilities	1,194	-	38	1,156
Total	\$ 209,563	\$ 140,223	\$ 84,725	\$ 265,061

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

Long-Term Tax Refunds Payable - The Department of Revenue and Finance has commitments regarding the two income tax cases discussed below. The State anticipates paying these refunds over the next four years.

Hagge v. Iowa State Department of Revenue and Finance, the Iowa Supreme Court held that refunds had to be made to retired federal employees who had paid Iowa Income taxes on their federal pensions for tax years 1985 through 1988. Refunds with interest computed through June 30, 1993, are taxes of \$20,222,615 and interest of \$11,968,926.

Kraft General Foods, Inc. v. Iowa State Department of Revenue and Finance, the United States Supreme Court resolved this litigation in a decision which invalidated the provisions of Iowa law which required business dividends received by a payee corporation from a foreign country affiliated corporation to be included in net income for tax purposes, while business dividends received by a payee from a domestic United States affiliated corporation are generally excluded from net income. Refunds with interest computed through June 30, 1993, are taxes of \$22,214,390 and interest of \$7,097,410.

NOTE 9 - CAPITAL LEASES

The State has entered into agreements to lease various equipment and property. The agreements have interest rates of 2.3% to 22%. The leases expire before June 30, 2008, and some also require the payment of normal maintenance charges.

General Long-Term Debt Account Group

The following is a schedule by year of the future minimum payments required (expressed in thousands):

Year ending June 30,	Principal	Interest	Total
1994	\$1,153	\$199	\$1,352
1995	1,053	121	1,174
1996	777	56	833
1997	320	18	338
1998	<u>144</u>	<u>3</u>	<u>147</u>
Total	<u>\$3,447</u>	<u>\$397</u>	<u>\$3,844</u>

Enterprise funds

The following is a schedule by year of future minimum payments required (expressed in thousands):

Year ending June 30,	Principal	Interest	Total
1994	\$19	\$ 5	\$24
1995	18	2	20
1996	<u>3</u>	<u>-</u>	<u>3</u>
Total	<u>\$40</u>	<u>\$ 7</u>	<u>\$47</u>

University Funds

The following is a schedule by year of future minimum payments required (expressed in thousands):

Year ending June 30,	Principal	Interest	Total
1994	\$ 2,770	\$ 1,899	\$ 4,669
1995	2,751	1,706	4,457
1996	2,859	1,511	4,370
1997	2,300	1,305	3,605
1998	1,715	1,189	2,904
Thereafter	<u>18,178</u>	<u>5,427</u>	<u>23,605</u>
Total	<u>\$30,573</u>	<u>\$13,037</u>	<u>\$43,610</u>

NOTE 10 - INSTALLMENT PURCHASES

The State has entered into installment purchase contracts to finance various acquisitions and construction projects. The contracts have interest rates of 5.28% to 16.25%.

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

General Long-Term Debt Account Group

The following is a schedule by year of future minimum payments required (expressed in thousands):

Year ending June 30,	Principal	Interest	Total
1994	\$1,736	\$231	\$1,967
1995	983	147	1,130
1996	1,038	80	1,118
1997	395	25	420
1998	116	12	128
Thereafter	<u>80</u>	<u>8</u>	<u>88</u>
Total	<u>\$4,348</u>	<u>\$503</u>	<u>\$4,851</u>

Internal Service Funds

The following is a schedule of future minimum payments required (expressed in thousands):

Year ending June 30,	Principal	Interest	Total
1994	\$ 744	\$ 120	\$ 864
1995	774	53	827
1996	<u>263</u>	<u>4</u>	<u>267</u>
Total	<u>\$1,781</u>	<u>\$177</u>	<u>\$1,958</u>

NOTE 11 - TAX AND REVENUE ANTICIPATION NOTES

Pursuant to the Code of Iowa, Section 12.26, the State of Iowa issued Tax and Revenue Anticipation Notes (TRANS) for the purpose of meeting the State's cash flow requirements. On July 29, 1992, the State issued TRANS of \$375 million at an interest rate of 3.50%, priced to yield 3.05%. The notes and related interest were repaid on June 30, 1993.

NOTE 12 - OTHER FINANCING ARRANGEMENTS PAYABLE

Loans and Contracts Payable

The Fourth Judicial District, Iowa Public Television, Department of Inspection and Appeals, Department of Natural Resources and Department of Employment Services have entered into agreements for facilities and land for a total of \$7,116,215. The agreements range from 4 to 25 years with interest rates ranging from 5.67% to 12%. The following is a schedule by year of the future minimum payments required (expressed in thousands):

General Long-Term Debt

Year ending June 30,	Principal	Interest	Total
1994	\$ 657	\$ 290	\$ 947
1995	699	248	947
1996	741	202	943
1997	780	154	934
1998	150	103	253
Thereafter	<u>894</u>	<u>470</u>	<u>1,364</u>
Total	<u>\$ 3,921</u>	<u>\$ 1,467</u>	<u>\$ 5,388</u>

The Iowa Peace Institute has entered into an agreement for their facility for a total of \$65,000. The agreement is for 25 years at a 7.5% interest rate. The following is a schedule by year of the future minimum payments required (expressed in thousands):

Enterprise Funds

Year ending June 30,	Principal	Interest	Total
1994	\$ 1	\$ 4	\$ 5
1995	1	4	5
1996	2	4	6
1997	2	4	6
1998	2	4	6
Thereafter	<u>52</u>	<u>34</u>	<u>86</u>
Total	<u>\$ 60</u>	<u>\$ 54</u>	<u>\$ 114</u>

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

The University of Iowa and Iowa State University have entered into agreements for equipment for a total of \$11,355,998. The agreements range from 2 to 7 years with interest rates ranging from 4.78% to 7.55%. The following is a schedule by year of the future minimum payments required (expressed in thousands):

University Funds

Year ending June 30,	Principal	Interest	Total
1994	\$3,901	\$ 311	\$ 4,212
1995	1,666	127	1,793
1996	826	53	879
1997	355	17	372
1998	<u>53</u>	<u>-</u>	<u>53</u>
Total	<u>\$6,801</u>	<u>\$ 508</u>	<u>\$ 7,309</u>

Certificates of Participation

The Department of Corrections and the First, Second, Third, Fifth and Sixth Judicial Districts have sold certificates of participation for land and facilities for a total of \$33,613,612. The certificates of participation represent an ownership interest of the certificate holder in a lease purchase agreement. The certificates mature over periods from 10 to 19 years with interest rates ranging from 5.15% to 8.18%. The following is a schedule by year of the future minimum payments required (expressed in thousands):

General Long-Term Debt

Year ending June 30,	Principal	Interest	Total
1994	\$ 2,803	\$ 1,792	\$ 4,595
1995	2,997	1,628	4,625
1996	3,187	1,436	4,623
1997	3,395	1,359	4,754
1998	3,626	1,003	4,629
Thereafter	<u>11,425</u>	<u>2,923</u>	<u>14,348</u>
Total	<u>\$27,433</u>	<u>\$10,141</u>	<u>\$ 37,574</u>

The Department of General Services sold certificates of participation for the Iowa Communications Network of \$96,030,000 with an unamortized discount of \$1,012,243 for a cost of \$95,017,757. The certificates of participation represent an ownership interest of the certificate holder in a lease purchase agreement. The certificates mature over periods from 4 to 14 years with interest rates ranging from 5.2% to 6.5%. The following is a schedule by year of the future minimum payments required (expressed in thousands):

Enterprise Funds

Year ending June 30,	Principal	Interest	Total
1994	\$ -	\$ 5,859	\$ 5,859
1995	-	5,859	5,859
1996	5,770	5,708	11,478
1997	6,070	5,395	11,465
1998	6,395	5,055	11,450
Thereafter	<u>77,795</u>	<u>24,400</u>	<u>102,195</u>
Total	\$ 96,030	<u>\$ 52,276</u>	<u>\$ 148,306</u>
Unamortized Discount	<u>1,012</u>		
Certificates of Participation Payable	<u>\$ 95,018</u>		

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 - BONDS PAYABLE

Revenue bonds payable at June 30, 1993, are as follows (expressed in thousands):

	ISSUE DATES	ORIGINAL ISSUANCE	INTEREST RATE	MATURITY DATE RANGE	OUTSTANDING PRINCIPAL
ENTERPRISE FUNDS					
Revenue Bonds					
Iowa Finance Authority	1977-1992	\$831,800	Variable	1979-2026	\$ 537,961
Iowa Higher Education Loan Authority	1984-1992	82,450	Variable	1993-2015	<u>68,665</u>
Total					606,626
Unamortized Issuance Costs and Discounts					<u>(8,676) *</u>
Total Enterprise Funds					<u>\$ 597,950</u>
UNIVERSITY FUNDS					
Revenue Bonds					
Iowa State University	1965-1992	\$247,285	3.00-8.00%	1966-2016	\$ 197,470
University of Northern Iowa	1964-1993	77,120	3.00-7.50	1966-2018	56,985
University of Iowa	1964-1993	348,550	2.75-9.50	1966-2016	<u>251,575</u>
Total University Funds					<u>\$ 506,030</u>
GENERAL LONG-TERM DEBT ACCOUNT GROUP					
Revenue Bonds					
<i>Term Bonds</i>					
Underground Storage Tank	1991	\$39,685	Variable	2005-2011	\$ 39,685
Department of Corrections					
First Judicial District	1982	765	Variable	1995	<u>177</u>
Total					<u>\$ 39,862</u>
<i>Serial Bonds</i>					
Underground Storage Tank	1991	\$31,045	Variable	1991-2001	\$ 27,035
State of Iowa Facilities					
Improvement Corporation	1986	\$12,245	6.80-7.40%	1989-2000	<u>9,665</u>
Total					<u>\$ 36,700</u>
<i>Capital Appreciation Bonds</i>					
Underground Storage Tank	1991	\$10,175	Variable	2001-2004	\$ 10,175
Unamortized Issuance Costs and Discounts					<u>(4,526)</u>
Total					<u>\$ 5,649</u>
Total General Long-Term Debt Account Group					<u>\$ 82,211</u>

*Includes unamortized issuance costs and discounts of \$7,537,625 for the Iowa Finance Authority and \$1,137,647 for the Iowa Higher Education Loan Authority.

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

Iowa Finance Authority

The Iowa Finance Authority is authorized and has issued bonds, the proceeds of which are used to provide authorized mortgage financing. The bonds are payable principally from repayments of such mortgage loans. The obligations do not constitute a debt of the State of Iowa and the State is not liable for any repayments.

The bonds are secured, as described in the applicable bond resolution, by revenues, moneys, investments, mortgage loans, and other assets in the funds and accounts established by the respective bond resolutions.

The Single Family Mortgage and Housing Bond Resolutions and the Multi-Family Bond Resolution contain covenants which require the Iowa Finance Authority to make payments of principal and interest from amounts available in the General Fund should deficiencies occur in the funds established for such payments by the respective bond resolutions.

On December 21, 1992, the Iowa Finance Authority issued Single Family Mortgage Refunding Bonds, 1992 Series F, of \$74,595,000 (par value) with interest rates of 2.70 percent to 6.50 percent to refund and defease \$74,595,000 of Single Family Housing Bonds, Series A (1979), with interest rates of 6.35 percent to 7.00 percent. The Series A (1979) bonds were due serially from August 1, 1993 to 2010 and were called at 102-1/2 percent of par on February 1, 1993. The proceeds from the issuance of the 1992 Series F bonds of \$74,595,000 along with \$4,131,937 of Series A (1979) revenue and reserve fund monies were used to purchase U.S. government securities, which were deposited in an irrevocable trust with an escrow agent to provide for the February 1, 1993 redemption of all Series A (1979) bonds. As a result, the Series A (1979) bonds were considered to be defeased on December 21, 1992 and the liability for those bonds was removed from the financial statements as of that date.

Although the refunding resulted in the recognition of an accounting loss of \$2,936,490 for the year ended June 30, 1993, and the Authority in effect increased its aggregate debt service payments by approximately \$7,900,000, the Authority obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$1,700,000. In addition to the economic gain, the defeasance of the bonds facilitated the creation of an \$18,600,000 loan acquisition fund under the Single Family 1992 Series F issue. The defeased debt from the Single Family Mortgage Purchase Program Funds was retired prior to June 30, 1993.

On May 20, 1993, the Authority issued Iowa State Revolving Fund Refunding Revenue Bonds, Combined Series 1993-R, of \$33,300,000 (par value) with interest rates of 2.50 percent to 5.20 percent to advance refund \$30,270,000 of Iowa State Revolving Fund Revenue Bonds, 1989 Series A and B and Combined Series 1990, with interest rates of 6.00 percent to 7.00 percent. The 1989 Series A and B and Combined Series 1990 bonds are due serially from May 1, 1994 to 2011 and are callable at 102 percent of par on May 1, 1997 and 1998, respectively. The proceeds from the 1993-R issuance of \$29,688,682 (net of \$3,611,318 in reserve requirements, discounts, underwriting fees, and other issuance costs) along with \$3,164,500 of 1989 Series A and B and Combined Series 1990 reserve fund monies and \$23,000 from a forward investment purchase agreement were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments and redemption on May 1, 1997 and 1998, respectively, of the 1989 Series A and B and Combined Series 1990 bonds. As a result, the 1989 Series A and B and Combined Series 1990 bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

Although the advance refunding resulted in the recognition of an accounting loss of \$3,022,574 for the year ended June 30, 1993, the Authority in effect reduced its aggregate debt service payments by approximately \$3,300,000 and obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$1,400,000. Certain related investment agreements terminated at the time of the advance refunding. Reinvestment of certain funds was accomplished at lower interest rates resulting in a substantial reduction in the anticipated economic gain to the Authority from the advance refunding. As of June 30, 1993, the amount of defeased debt outstanding but omitted from the financial statements was \$30,270,000.

Iowa Higher Education Loan Authority

The Iowa Higher Education Loan Authority is authorized and has issued bonds to provide educational loans to students and facility loans to private educational institutions in the State of Iowa. The bonds are payable primarily from interest and principal payments of the educational and facility loans.

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

The Iowa Higher Education Loan Authority has no taxing authority and bonds issued do not constitute a debt, liability, or obligation of the State of Iowa or any political subdivision thereof.

Universities

Iowa State University, the University of Northern Iowa and the University of Iowa have issued revenue bonds for the construction of buildings, facilities, utilities and equipment. The bonds are payable principally from tuition and user fee revenues.

On December 1, 1992, the University of Northern Iowa issued \$5,975,000 in Academic Building Revenue Refunding Bonds, Series UNI 1992, with an average interest rate of 4.866 percent to advance refund \$5,500,000 of outstanding ABRB Series 1983 bonds with an average interest rate of 7.68%. The net proceeds of \$5,930,214 (after payment of \$40,751 in bond issuance costs and payment of \$4,035 in excess proceeds) were used to purchase a U.S. government security and deposit escrow cash of \$12,500. This security and escrow cash were deposited in an irrevocable trust with an escrow agent to provide for all future debt service on the 1983 ABRB Series bonds. As a result, the ABRB Series 1983 bonds are considered to be defeased and the liability for those bonds has been removed from the balance sheet.

The advance refunding results in the recognition of an accounting loss of \$430,214 for the year ended June 30, 1993, a decrease in aggregate debt service of \$542,527 over the next ten years, and an economic gain (difference between present values of the old and new debt service payment) of \$446,474.

In a prior year, the University of Northern Iowa defeased a 1981 Academic Building Revenue bond issue by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. As of June 30, 1993, \$8,200,000 of bonds are considered defeased, consisting of \$5,500,000 from the current year, and \$2,700,000 from previous years transactions.

The University of Iowa issued \$10,320,000 in Academic Building Revenue Refunding Bonds, Series S.U.I. 1992 with an average interest rate of 4.8%; \$6,650,000 in Academic Building Revenue Refunding Bonds, Series S.U.I. 1992A with an average interest rate of 4.6%; and \$6,325,000 in Dormitory Revenue Refunding Bonds, Series S.U.I. 1992 with an average interest rate of 4.7%.

The above were issued to advance refund \$9,350,000 of Academic Building Revenue Bonds, Series S.U.I. 1984 with an average interest rate of 8.3%, \$6,150,000 of Academic Building Revenue Bonds, Series S.U.I. 1983 with an interest rate of 7.4%; and \$5,800,000 of Dormitory Revenue Bonds, Series S.U.I. 1983 with an interest rate of 7.7%. The proceeds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the State's financial statements.

Also, during fiscal 1993, the University of Iowa defeased \$10,250,000 of the Series 1980 Athletic and Student Fees Revenue Bonds with an average interest rate of 7.1% by issuing \$10,300,000 of Series 1992 Athletic Facilities Revenue Refunding Bonds with an average interest rate of 4.7%; and by additional funding of \$309,450 and \$94,089 from the Revenue Fund and Operating Fund, respectively.

Net proceeds for the above four refundings were \$33,260,763. The advance refunding results in the recognition of an economic gain of \$2,777,697 for the year ended June 30, 1993, and a decrease in aggregate debt service of \$3,334,887.

In a prior year, the University of Iowa defeased the Series 1968 Hancher Revenue Bonds and the Series 1981 and Series 1982 Academic Revenue Bonds. On July 1, 1992, the remaining \$4,585,000 of 1981 Series Academic Revenue Bonds were called. On January 1, 1993, the remaining \$10,250,000 of 1980 Series Athletic and Student fees Revenue Bonds were called. As of June 30, 1993, the amount of defeased debt outstanding but removed from the balance sheet was \$32,785,000.

In prior years, Iowa State University defeased certain Revenue bond issues by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. As of June 30, 1993, \$30,150,000 of bonds outstanding are considered defeased.

State Of Iowa Facilities Improvement Corporation

The State of Iowa Facilities Improvement Corporation (an Iowa nonprofit corporation) issues bonds to finance energy saving capital improvements for State agencies. The improvements are leased to State agencies to provide funds to retire the bonds issued, and to cover financing and administrative costs.

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

The Bond Indenture provides for establishment of the following trust funds: Series A Acquisition Fund, Series A Bond Fund, Series A Debt Service Reserve Fund, Series A Revenue Fund, Series A Expense Fund, Series A Redemption Fund, and Series A Excess Arbitrage Fund.

Department of Corrections - First Judicial District

The First Judicial District has issued Industrial Development Revenue bonds for the purpose of acquiring a residential facility at Dubuque. Bond principal and interest payments are expensed from the District's general fund.

Underground Storage Tank

The Iowa Finance Authority has issued term bonds, serial bonds, and capital appreciation bonds to finance the Underground Storage Tank Financial Responsibility Program. The program provides payment for remediation claims of contamination of ground water sites due to leakage, spill or release of petroleum products by owner/operators. The bonds are payable solely from specific revenues and assets of the Underground Storage Tank Fund.

The obligations do not constitute a debt of the State of Iowa or the Iowa Finance Authority and neither is liable for any repayments.

Future revenue bond debt service requirements for bonds in the Enterprise and University Funds are as follows (expressed in thousands):

Enterprise Funds

Year ending June 30,	Principal	Interest	Total
1994	\$ 11,405	\$ 35,234	\$ 46,639
1995	13,735	34,248	47,983
1996	15,515	33,599	49,114
1997	15,905	32,844	48,749
1998	16,810	32,550	49,360
Thereafter	<u>533,256</u>	<u>587,848</u>	<u>1,121,104</u>
Total	<u>\$ 606,626</u>	<u>\$ 756,323</u>	<u>\$ 1,362,949</u>

University Funds

Year ending June 30,	Principal	Interest	Total
1994	\$ 22,616	\$ 28,445	\$ 51,061
1995	27,555	26,928	54,483
1996	36,094	25,342	61,436
1997	29,108	23,772	52,880
1998	27,466	22,436	49,902
Thereafter	<u>363,191</u>	<u>193,629</u>	<u>556,820</u>
Total	<u>\$ 506,030</u>	<u>\$ 320,552</u>	<u>\$ 826,582</u>

Future bond debt service requirements for bonds in the General Long-Term Debt Account Group are as follows (expressed in thousands):

General Long-Term Debt Account Group

Year ending June 30,	Principal	Interest	Total
1994	\$ 3,523	\$ 4,748	\$ 8,271
1995	3,819	4,534	8,353
1996	4,075	4,292	8,367
1997	4,440	4,029	8,469
1998	4,845	3,738	8,583
Thereafter	<u>66,035</u>	<u>29,464</u>	<u>95,499</u>
Total	<u>\$ 86,737</u>	<u>\$ 50,805</u>	<u>\$ 137,542</u>

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 - FUND BALANCE - RESERVE FOR SPECIFIC PURPOSES

The State's Reserve for Specific Purposes Fund Balance in the General Fund represents the portion of fund balance legally segregated for a specific future use. A summary of these reserves follows (expressed in thousands):

Primary Road	\$ 75,721
Revitalize Iowa's Sound Economy	40,570
Unassigned Revenue	26,887
Farm to Market Road Funds	24,121
General Operations	19,926
Road Use Tax	19,360
Guaranteed Student Loan Administration	13,931
Underground Storage Tank Remedial	11,760
Strategic Investment	8,810
Underground Storage Tank Capital Reserves	6,694
Underground Storage Tank Revenue	6,164
Petroleum Overcharge #5	5,987
Fish and Game	5,636
Exxon Oil Overcharge Settlement	5,366
Life Insurance Basic Reserve	3,837
Job Training Revolving	3,623
Motor Vehicle Fuel Tax Unapportioned-DOT	3,455
Life Insurance Basic Operating	3,305
State of Iowa Facilities Improvement Corporation	3,069
Motor Vehicle Fuel Tax - DOT	1,649
Underground Storage Tank Loan Guarantee	1,403
Iowa Public Television Foundation	1,356
Asset Sharing	584
Grade Crossing Surface Repair	454
Friends Funded Programming	320
Workers Compensation	288
Petroleum Overcharge #4	283
Waste Volume Reduction and Recycling	278
Motor Vehicle Fuel Tax Aviation Revenue	133
Litigation Defense	108
Motor Vehicle Fuel Tax	61
Dual Party Relay System	59
First in Nation in Education	46
Telephone Exchange Boundaries	25
Commerce Insurance Division Regulatory	24
Highway Grade Crossing Safety Fund	16
Iowa School for the Deaf	13
Consumer Credit Administration	11
Workers Compensation - DOT	9
Iowa Law Enforcement Academy Audiovisual	
Equipment	5
Passenger Rail Service Revolving	3
Recreational Trails	1
Total	\$ 295,351

NOTE 15 - LEASE OBLIGATIONS FROM DISCONTINUED OPERATIONS OF PRIOR YEARS

The aggregate amounts of required payments on noncancellable leases and receipts from the related subleases at June 30, 1993, are as follows (expressed in thousands):

Year ending June 30,	Lease	Sublease	Net
1994	\$ 270	\$154	\$ 116
1995	247	60	187
1996	232	38	194
1997	224	29	195
1998	209	25	184
Thereafter	<u>905</u>	<u>116</u>	<u>789</u>
Total	\$ 2,087	\$422	\$1,665
Less Amount Representing Interest	<u>626</u>	<u>91</u>	<u>535</u>
Present Value of Lease Obligation	<u>\$ 1,461</u>	<u>\$331</u>	<u>\$1,130</u>

NOTE 16 - CHANGES IN CONTRIBUTED CAPITAL ACCOUNTS

During the year, contributed capital increased by the following amounts (expressed in thousands):

	Enterprise Funds		
	Iowa State Fair Authority	State Communi- cations Network	Iowa State Industries
Balance, July 1	\$1,800	\$ -	\$ 512
Additions:			
Government - Capital Improvements	-	296	-
Balance, June 30	<u>\$1,800</u>	<u>\$ 296</u>	<u>\$ 512</u>

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 17 - DEFICIT FUND BALANCES/ RETAINED EARNINGS

Funds reporting a deficit fund balance or retained earnings position at June 30, 1993 (expressed in thousands):

Fund Type/Fund Name	Deficit Balances
Capital Projects Funds	
Fish and Game Capitals	\$ 57
Enterprise Funds	
Insurance Department Clearing	\$ 1
Internal Service Funds	
General Office - General Services	\$ 5
Expendable Trust Funds	
Human Rights HELPER	\$ 14

NOTE 18 - OPERATING LEASES

The State has leased office space and equipment. These leases have been classified as operating leases and accordingly, all rents are charged to expense as incurred. These leases expire before June 30, 2022, and require various minimum annual rentals. Certain leases are renewable for additional periods. Some leases also require the payment of normal maintenance and insurance on the leased properties. In most cases, management expects that the leases will be renewed or replaced by other leases.

The following is a schedule by year of future minimum rental payments required under operating leases which have initial or remaining noncancellable lease terms in excess of one year as of June 30, 1993 (expressed in thousands):

Year ending June 30,	
1994	\$ 8,494
1995	6,550
1996	4,676
1997	3,165
1998	2,328
Thereafter	<u>4,059</u>
Total	<u>\$ 29,272</u>

All leases contain nonappropriation clauses indicating that continuation of the lease is subject to funding by the legislature.

Rental expense for the year ended June 30, 1993, for all operating leases, except those with terms of a month or less that were not renewed, totaled \$11,251,879.

NOTE 19 - LESSOR OPERATING LEASES

The Department of Natural Resources has tracts of land valued at \$5,654,068 that have been leased for agricultural purposes. The First Judicial District has a building with a book value of \$1,280,219. The District leases 28 percent of the building's total square footage and no value has been assigned to the leased portion. Clarinda Mental Health Institute has a lease agreement for space and support services based upon a rate per student. Therefore, no value has been assigned to the leased portion. Iowa Public Television leases antenna and building space, no value has been assigned to the leased portions. The Department of Transportation leases land valued at \$1,028,400 for agricultural purposes. The following is a schedule by years of minimum future rentals on operating leases as of June 30, 1993, (expressed in thousands):

Year ending June 30,	
1994	\$1,568
1995	1,458
1996	1,317
1997	974
1998	885
Thereafter	<u>862</u>
Total	<u>\$7,064</u>

NOTE 20 - PENSION PLANS

Iowa Public Employees' Retirement System

Plan Description

The Iowa Public Employees' Retirement System (IPERS), a component unit of the Iowa Department of Personnel, was created in 1953 by the Iowa Legislature, to replace Iowa Old Age and Survivors Insurance (IOASI).

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

IPERS is the administrator of a cost-sharing multi-employer public employee retirement system (PERS). Participation in IPERS is mandatory for state, county, and local public employees, employees of school districts, and for certain elected officials. Membership is optional for the members of the Iowa General Assembly. Excluded from membership are members of other retirement systems supported by Iowa public funds.

	June 30,	
	1993	1992
Employer members	2,602	2,577
Employee members:		
Current retirees and beneficiaries	53,238	51,436
Terminated vested or participants on leave	21,241	22,128
Active plan participants:		
Fully vested	102,863	104,660
Nonvested	33,546	29,825

A member may retire at the age of 65. The member at this time chooses one of five benefit options available through IPERS. A member may also take early retirement between the ages of 55 and 65.

A member 55 years or older is vested regardless of the length of service. Also, a member leaving covered employment before attaining early retirement age, but after completing at least four years of service, has established rights of IPERS benefits, provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

Member and employer contribution rates are established by statute. In general, IPERS members contribute 3.7%, and employers contribute 5.75% of the covered wage base. This is deducted from the members salary and remitted by participating employers. Certain members and employers engaged in law enforcement and protection occupations contribute at slightly higher rates. The covered wage base was \$34,000 per member for calendar year 1992 and \$35,000 per member in 1993. If a member dies before retirement and is an employed or terminated vested member, the beneficiary will receive a lump sum cash payment based upon a calculated formula. If a member dies or leaves covered employment before achieving vesting privileges a lump sum cash contribution payment will be made based on the member's accumulated contributions.

Funding Status and Progress

The amount shown below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credit projected benefits, is intended to help users assess IPERS' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. IPERS does not make separate measurements of assets and pension benefit obligation for individual employers.

The pension benefit obligation was determined as part of an actuarial valuation for IPERS at June 30, 1993. The significant actuarial assumptions are discussed below.

At June 30, 1993, there was no unfunded pension benefit obligation as follows (expressed in thousands):

Retirees and beneficiaries receiving benefits and terminated employees not yet receiving benefits	\$ 2,327,605
Accumulated Contributions for Terminated Non-Vested Employees	5,911
Current employees:	
Accumulated employee contributions including allocated investment earnings	1,515,557
Employer - financed vested	2,147,723
Employer - financed nonvested	6,685
Total pension benefit obligation	6,003,481

Net Assets Available for Benefits, at cost	6,136,131
(Market value \$6,899,591)	

(Assets in excess of) Pension Benefit Obligation	\$ (132,650)
--	--------------

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

On an annual basis, a valuation of the liabilities and reserves of the IPERS Pension Trust Fund is performed by IPERS' actuarial consultants in order to determine the amount of contributions required. The actuarial cost method used to determine the level of annual contributions by the members and the employers to support the benefits for service from July 4, 1953, to retirement is the Aggregate Actuarial Cost Method. Using this method, the total annual cost is assumed to be paid evenly throughout the year and is expressed as a percentage of covered payroll as 8.789 percent. This covered payroll contribution requirement is .661 percent less than the current 9.45 percent of combined payroll contributions. The amounts of the actuarially determined contribution requirement would have been approximately \$265,372,781.

Employee and employer contributions made during the fiscal year ended June 30, 1993, were as follows:

	State of Iowa	Total IPERS
Employee contributions	\$22,877,910	\$117,629,795
Employer contributions	35,382,673	176,444,692
Current-year covered payroll	585,624,687	3,019,374,000
Employee contributions as a percentage of current-year covered payroll	3.91%	3.90%
Employer contributions as a percentage of current-year covered payroll	6.04%	5.84%

For the year ended June 30, 1993, the covered payroll for the State of Iowa IPERS participants was \$585,624,687. Current-year state payroll totals \$824,414,489.

The following significant assumptions were used in the actuarial valuations as of June 30, 1993: (1) a rate of interest of 6.5 percent per year, compounded annually; (2) rates of mortality based upon the 1977 IPERS Unisex Mortality Table; (3) rate of crediting interest on contribution balances of 7.5 percent per year, compounded annually; and (4) rates of withdrawal, rates of salary increases and expected retirement ages developed on the basis of an investigation of actual plan experience; (5) assets are valued at book plus the lessor of the average difference (averaged over the last 120 months or actual number of months held if less) of market value of equities less book value of equities or 30% of the valuation date difference between market and book values of net assets; and (6) ages of spouses for joint and survivor retirees assume the male is three years older than the female.

The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation previously discussed.

The actuarial present value (APV) of projected benefits has been computed and consists of: (a) the APV of projected IOASI benefits payable to current retirees, beneficiaries and refund of members' contributions made prior to July 1, 1953; (b) the APV of projected IPERS benefits payable to current retirees and beneficiaries; (c) the APV of projected benefits for active participants. As of June 30, 1993, the APV of total projected benefits is \$8,012,656,067. IPERS has accumulated actuarial net assets of \$6,365,169,296 on the same date. Therefore, the estimated present value of future assets to be acquired by IPERS on behalf of present employees at June 30, 1993, is \$1,647,486,771.

Historical trend information related to the pension plan is presented in the Schedules. The information is presented to enable the reader to assess the progress made by IPERS in accumulating sufficient assets to pay pension benefits as they become due. The system has no investment in stocks or bonds of any commercial or industrial organization, other than the U.S. government and its instrumentalities, whose market value exceeds five percent of net assets available for benefits.

PBO For Single Employer PERS

The combined total pension benefit obligation for the Peace Officers' Retirement Accident and Disability System and Judicial Retirement System is \$172,078,000 and the combined net assets available for benefits for the two systems are \$124,136,000.

Peace Officers' Retirement Accident and Disability System

Plan Description

The Peace Officers' Retirement Accident and Disability System is a component unit of the Iowa Department of Personnel. It was created under Section 97A of the Code of Iowa to provide retirement and other benefits for the peace officers of the Iowa Department of Public Safety. The Peace Officers' Retirement, Accident and Disability System is the administrator of a single-employer defined benefit public employee retirement system (PERS). Employee membership data follows:

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

	June 30, 1993	-projected salary increase of 6% per year (4.5% due to inflation and 1.5% due to merit or seniority).
Current retirees and beneficiaries	297	
Terminated members with deferred benefits	19	-pre and post-mortality life expectancies of members based on the 1971 Group Annuity Mortality Table;
Active Members:		
Fully vested	404	-ordinary and accidental disability rate based on 1970-71 Industry Experience on Male Lives (Occupational group II), and
Nonvested	110	

A member may retire with a service allowance after completing 22 years credited service and attaining the minimum service retirement age of 55. Plan benefits include: service retirement benefits, ordinary disability retirement benefits, accidental disability benefit, ordinary death benefit, and accidental death benefits.

Member contribution rates are established by statute at 6.1 percent of earnable compensation for fiscal year 1993. For fiscal years 1994, 1995 and 1996, member contribution rates will be 7.1, 8.1 and 9.1 percent respectively. For members age 45 to 49 on July 1, 1990, member contribution rates range from 7.1 to 9.1 percent. This is deducted from the member's salary and remitted by the employer. The employer is obligated by statute to contribute an amount of 18 percent of the covered payroll. Contribution provisions are established by state law and may be amended only by the state legislature.

The system has no investments in the stocks or bonds of any commercial or industrial organization whose market value exceeds 5 percent or more of the net assets available for benefits. The system does not invest in obligations of the State of Iowa or political subdivisions.

The actuarial cost method used to determine the level of annual contributions by the members and the State to support the benefits for service is the Aggregate Actuarial Cost method. Using this method, the total normal contribution rate is expressed as a percentage of covered payroll and is 18.36 percent. This covered payroll contribution requirement is 6.65 percent less than the current 25.01 percent of combined payroll contributions. The entire contribution is related to the normal cost.

The following significant assumptions were used in the actuarial valuation as of June 30, 1993:

-rate of return on investment of present and future assets (discount rate) of 8% per year.

-rates of withdrawal from active service before retirement for reasons other than death are 5 percent for age 20, grading down to 2 percent for ages 35-39, then 4 percent at age 40 grading down to 0 percent at age 52 and older.

The significant actuarial assumptions used to compute the actuarially determined employer contribution requirement are the same as those used to compute the actuarial present value of credited Projected benefits. There were no changes in the current year actuarial assumptions, actuarial funding method, or benefit provisions.

For the year ended June 30, 1993, the total covered payroll for Peace Officers was \$20,292,646.

Funding Status and Progress

The amount shown as "Pension Benefit Obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits estimated to be payable in the future as a result of the employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess, on a going concern basis, the funding status of the PERS to which contributions are made, assess progress made in accumulating sufficient assets to pay benefits when due and to allow comparisons of this data among employers. The measure is independent of the actuarial funding method used to determine contributions to the system.

The pension benefit obligation was determined as part of an actuarial valuation at June 30, 1993. The significant actuarial assumptions used to compute the pension benefit obligation were discussed above.

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

At June 30, 1993, the unfunded pension benefit obligation was \$23,227 thousand as follows (expressed in thousands):

Pension Benefit Obligation:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Not Yet Receiving Benefits	\$ 59,360
Current Employees:	
Vested	34,391
Non-vested	11,729
Accumulated employee contributions including allocated investment earnings	18,799
Total Pension Benefit Obligation	124,279
Net Assets Available for Benefits (Market Value \$113,572)	101,052
Unfunded Pension Benefit Obligation	\$ 23,227

The actuarial present value of projected benefits has been computed and consists of the amount required as of the valuation date to fully fund projected pension benefits in the: (a) Pension Accumulation Fund; (b) Annuity Reserve Fund; and (c) Pension Reserve Fund. The actuary for the Peace Officer's Retirement, Accident and Disability System advises that, as of June 30, 1993, the total actuarial present value of projected benefits is \$152,453,689. The System has reported net assets of \$113,571,943 at market value, as of the same date. Therefore, the actuarial present value of future normal costs is \$38,881,746.

The total actuarial recommended normal contribution rate for fiscal year 1993 was 18.36 percent of which 10.73 percent was the State contribution rate and 7.63 percent was the members' contribution rate. The State of Iowa has followed a contribution policy of appropriating funds based upon a percentage of the current salaries for which funds are appropriated. The appropriated employer contribution rate for the Peace Officers' Retirement, Accident and Disability system was 18 percent for fiscal year 1993.

Based upon the actuarial recommended contribution rate of 10.73 percent, the total amount of employer contributions required for the year ended June 30, 1993 amounted to \$2,177,401. The total amount of employer contributions made was \$3,648,617, thereby resulting in an overfunding of \$1,471,216 for the year ended June 30, 1993.

Contributions required and contributions made for the past three years are as follows:

	1993	1992	1991
Employer:			
Contributions Made	\$3,648,617	\$3,339,755	\$3,242,922
Actual Contribution Rate	18%	18%	18%
Actuarial Recommended Contribution Rate	10.73%	18.51%	21.84%
Employee:			
Contributions Made	\$1,385,957	\$1,126,929	\$1,081,215
Actual Contribution Rate	6.83%	5.81%	5.85%
Actuarial Recommended Contribution Rate	7.63%	7.01%	6.27%

Trend Information

	Fiscal Year		
	1993	1992	1991
Net assets available for benefits as a percentage of the pension benefit obligation applicable to Peace Officers	81.31%	73.62%	70.50%
Unfunded pension benefit obligation as a percentage of annual covered payroll	114.45%	161.28%	177.59%
Employers contributions to the pension plan as a percentage of annual covered payroll	17.98%	17.22%	17.54%

Additional historical trend information related to the pension plan is presented in the Schedules. This information is presented to enable the reader to assess the progress made by the system in accumulating sufficient assets to pay pension benefits as they come due.

Judicial Retirement System

Plan Description

The Judicial Retirement System is the administrator of a single-employer defined benefit public employee retirement system (PERS).

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

The Judicial Retirement System was established to provide pension benefits to Judges serving on the Supreme Court, District Courts and the Court of Appeals. The plan's membership as of June 30, 1993, follows:

Retirees and beneficiaries currently receiving benefits	123
Terminated members entitled to benefits but not yet receiving benefits	10
Active Members:	
Fully vested members	123
Nonvested active judges covered by the plan	38

Pursuant to Chapter 602.9106-.9107, a member who has had a total of at least six years of service as a judge of one or more of the above courts and is at least sixty-five years of age or who has served twenty-five years of consecutive service as a judge of one or more of the above courts shall qualify for an annuity. A member who meets the definition of a senior judge under Chapter 602.9202 of the Code of Iowa, shall be paid an annuity equal to three percent of the current base salary of the office in which the senior judge last served prior to retirement multiplied by the judge's years of service prior to retirement, limited to fifty percent of the current base salary. Any member who has served as a judge for a total of six years or more and deemed permanently incapacitated, mentally or physically, to perform his/her duties shall be entitled to an annuity that would be the same as computed under a retirement annuity.

Judges contribute to the system at the rate of 4% of their basic salary. The State contributes a sum not to exceed 3% of the basic salary of the judges plus such amount as may be necessary over the judge's contribution to finance the retirement system. In addition, by law, a portion of certain filing fees are deposited to this fund. The covered payroll for Judges was \$13,042,093.

The system has no investments in the stocks or bonds of any commercial or industrial organization whose market value exceeds 5 percent or more of the net assets available for benefits. The system does not invest in obligations of the State of Iowa or political subdivisions.

Funding Status and Progress

The amount shown as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and

is intended to help users assess the Judicial Retirement System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among Public Employee Retirement Systems (PERS).

The pension benefit obligation was determined as part of an actuarial valuation at June 30, 1993. Significant actuarial assumptions used include: (a) a rate of return on the investment of present and future assets of 8.0 percent per year compounded annually; (b) projected salary increases of 6.0 percent per year compounded annually; and (c) post-retirement benefit increases for the Senior Judge category tied to active pay increases.

At June 30, 1993, the unfunded pension benefit obligation was \$24,715 thousand as follows (expressed in thousands):

Pension benefit obligation:

Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 14,700
Additional benefit for current Senior Judges	4,400
Current employees	<u>28,700</u>
Total pension benefit obligation	47,800

Net Assets available for benefit at cost (market value \$23,800)	<u>23,085</u>
--	---------------

Unfunded Pension Benefit Obligation	<u>\$ 24,715</u>
-------------------------------------	------------------

Contribution Required and Contribution Made

The contributions to the system were made pursuant to Chapter 602.9104 of the Code of Iowa, and not based upon actuarial determinations.

The total contributions required and contributed were \$521,753 and \$391,263, the employer and employee shares respectively. The employee and employer shares represents 4 percent and 3 percent respectively of the current covered payroll. Total filing fees required and contributed were \$2,019,682.

An actuarial valuation of the system's assets and liabilities is required at least once every four years per Chapter 602.9116 of the Code of Iowa. Below is a summary of the actuarially determined contribution requirements, including the Senior Judge Program, by the respective actuarial funding method as of June 30,

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

1992. There have been no changes on contribution requirements for fiscal year ended June 30, 1993.

Aggregate Cost Method (Total Cost)	\$2,506,950
Entry Age Normal Cost Method with 30 Year Funding of Unfunded Past Service Liability (Total Cost)	\$2,442,076
Entry Age Normal Cost Method with Interest Only Paid on Unfunded Past Service Liability (Total Cost)	\$2,330,751

Trend Information

	Fiscal Year		
	1993	1992	1991
Net assets available for benefits as a percentage of the pension benefit obligation applicable to Judges	48.30%	46.39%	46.50%
Unfunded pension benefit obligation as a percentage of annual covered payroll	189%	188.45%	171.42%
Employers contributions to the pension plan as a percentage of annual covered payroll	3.00%	3.00%	3.00%

Additional historical trend information related to the pension plan is presented in the Schedules. The information is presented to enable the reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become due.

Teachers Insurance and Annuity Association Retirement Program

The Universities, Board of Regents and the Iowa Peace Institute contribute to the Teachers Insurance and Annuity Association (TIAA) retirement program. The above, by contributing to TIAA, participate in a defined contribution retirement plan.

A defined contribution retirement plan provides retirement benefits in return for services rendered, provides individual annuities for each plan participant, and specifies how contributions to an individual's annuity are to be determined instead of specifying the amount of benefits the participants is to receive. Under a defined contribution retirement plan, the benefits a participant will receive depend solely on the amount contributed to the participant's annuity, and the returns earned on investments of those contributions. As required by the State Board of Regent's policy, all eligible employees must participate in a retirement plan from the date they are employed. Contributions made by both employer and employee vest immediately. As specified by the contract agreement with TIAA, each employee through the fifth year of employment contributes 3 1/3% of the first \$4,800 of earnings and 5% on the balance of earnings. For the Board of Regents' employees, through the fifth year of employment, employees contribute 3 1/3% and the Board of Regents contributes 6 2/3% of the first \$4,800 of earnings; and the employee 5% and the Board of Regents 10% on the balance of the earnings. The Universities and Institute's employees through the fifth year of employment, contribute 3 1/3% and the Institutions contribute 6 2/3% of the first \$4,800 of earnings and 10% on earnings above the \$4,800. Upon completion of five years of service, the participant contributes 5% and the Universities and Institute 10% of all earnings. Employees may contribute up to another 3% of their earnings into TIAA without a corresponding contribution by the institutions. During fiscal year 1993, the Universities', Board of Regents, and the Institutes' contribution amounted to \$68,992,306 which was 9.92% of their employees' wages covered by the TIAA plan. Employees' contributions amounted to \$37,033,144 which was 5.32% of the employees' wages covered by the plan. The Universities', Board of Regents and the Institutes' total payroll for fiscal year 1993, was \$861,072,954 and the amount of payroll covered by TIAA was \$695,387,882.

No retirement plan provisions changed during the year that affected the Institutions' or employees' required contributions.

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 21 - BUDGET TO GAAP RECONCILIATION

The accompanying Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since the budgetary and GAAP presentations of actual data differ, a reconciliation of the two is presented below (expressed in thousands):

	General Fund	Special Revenue Funds
Fund Balance - Budgetary/Legal	\$ 51,957	\$108,146
Basis of Accounting Differences:		
Balance Sheet Accounts:		
Accounts Receivable	38,749	-
Loans Receivable	17,606	-
Due From Other Funds	5,915	-
Prepaid Expenditures	6,163	-
Taxes Receivable	(270,800)	-
Accounts Payable & Accruals	(91,694)	-
Tax Refunds Payable	(50,115)	-
Due To Other Funds	(15,433)	-
Deferred Revenue	(5,118)	-
Timing Differences:		
Petty Cash & Inventory		
Expensed In Budgetary		
Accounting	8,344	-
Perspective Differences	-	(108,146)
Entity Differences	<u>376,615</u>	<u>193</u>
Total Fund Balance - GAAP Basis	72,189	193
Less: Reserved Fund Balance -		
GAAP Basis	<u>(378,979)</u>	<u>-</u>
Fund Balance Unreserved -		
GAAP Basis	<u>\$(306,790)</u>	<u>\$ 193</u>

NOTE 22 - FEDERAL COMMODITIES AND FOOD STAMPS

Federal grants include non-monetary transactions for food stamps, food and other commodities. These items are not reported on either the balance sheet or the operating statement, in order to maintain an emphasis on current financial resources. Federal commodities and food stamp inventories at June 30, 1993, are summarized as follows:

Food Stamps	\$ 53,332,143
Commodities	<u>2,813,583</u>
Total	<u>\$ 56,145,726</u>

NOTE 23 - PRIOR PERIOD ADJUSTMENTS

In prior years, the University of Northern Iowa's compensated absences payable (sick leave portion only) was discounted on the basis of average time to retirement and average age of retirement with no accrual of fringe benefits assessed to compensated absences payable. The University has chosen early adoption of GASB Statement No. 16. The statement requires fringe benefits to be assessed against the compensated absences payable with no discounting of the sick leave payable. The above corrections resulted in a prior period adjustment of \$591,449 that decreases the beginning fund balance of the Current Unrestricted Fund.

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 24 - ENTERPRISE FUND - SEGMENT INFORMATION

State of Iowa departments and agencies provide major services to the public, financed by user charges. These agencies are:

The Iowa Higher Education Loan Authority
 The Iowa Finance Authority
 The Lottery Division of the Department of Revenue and Finance
 State Communication Network
 Other Departments and Agencies

Significant financial data for the year ended June 30, 1993, follows (expressed in thousands):

	Iowa Higher Education Loan Authority	Iowa Finance Authority	Iowa Lottery	State Communi- cation Network	Other	Total
Operating Revenues	\$ 2,286	\$ 54,789	\$197,368	\$ 964	\$125,648	\$ 381,055
Depreciation Expense	1	155	345	-	902	1,403
Operating Income (loss)	2,158	40,795	46,785	189	36,265	126,192
Operating Transfers In	-	-	-	498	-	498
Operating Transfers Out	-	-	45,726	324	23,250	69,300
Tax Revenues	-	3,159	-	5,000	3,520	11,679
Net Income	170	17,239	1,639	4,946	16,682	40,676
Fixed Assets Additions	-	66	601	55,577	638	56,882
Fixed Assets Deletions	-	1	166	-	211	378
Net Working Capital	32,977	463,593	2,004	17,586	37,154	553,314
Total Assets	70,115	672,698	104,103	113,818	59,829	1,020,563
Bonds Payable	67,527	530,423	-	-	-	597,950
Other Long-Term Liabilities	-	16,131	73,235	96,252	1,724	187,342
Total Equity	1,158	114,737	3,257	7,641	45,359	172,152

NOTE 25 - DEFERRED COMPENSATION PLAN

The State and the Judicial Districts sponsor deferred compensation plans which are administered by independent contractors under Internal Revenue Code section 457 and are accounted for as separate Deferred Compensation Plan Agency Funds. The plans permit employees to defer a portion of their salary until future years. The Iowa Department of Personnel and the Judicial Districts are responsible for the accounting, reconciliations and record keeping associated with employees' enrollment, payments to the plan through payroll deductions and timely transfer of withheld funds to the trustee designated by the participant for investment. The plans are designed so that each participant retains investment control of his/her individual account. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The State's fiduciary responsibility is limited to due care in selecting administrators which is evidenced by agreements with the private contractors that make the independent contractor "an agent of the State." The contractors are responsible for withholdings and W-2's when the participants receive payments. The contractors are also required to submit an annual report to the State.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State and Judicial Districts respectively (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State's or Judicial Districts' general creditors. Participants' rights under the plan are equal to those of general creditors of the State or Judicial Districts in an amount equal to the fair

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

market value of the deferred account for each participant. The State and Judicial Districts are liable to a participant only for income lost because of its failure to send payment of a deferred amount as directed by the participant. The State and Judicial Districts believe that it is unlikely that they will use these assets to satisfy the claims of general creditors in the future.

The market value of the State's and Judicial Districts' plan assets at June 30, 1993, consisted of \$91,890,057 and \$1,530,000, respectively. These amounts were included in Cash & Investments on the balance sheet of the Agency Funds.

State employees within the Department of Education may also participate in a 403(b) tax-sheltered annuity plan. The State does not contribute to the plan. These annuities are the sole property of the respective individual employee and are subject to any liability arranged by that individual.

NOTE 26 - OTHER POST EMPLOYMENT BENEFITS

The State Legislature passed, and the Governor signed effective May 22, 1992, an early retirement incentive program for employees of the Executive and Judicial branches of State government.

To be eligible for the Early Retirement Incentive, employees had to be receiving full health and/or dental insurance benefits in accordance with the State's programs. The employee had to be at least 59 years old with at least 20 years continuous or non-continuous membership service in the Iowa Public Employees System (IPERS) or the Peace Officers Retirement system (POR) and have terminated on or after May 15, 1992 and before January 15, 1993. A further requirement for eligibility was to have provided written notification of the intent to retire by November 15, 1992.

Employees electing the early retirement option are not eligible to accept further employment with the State or a political subdivision of the State, except as an elected official.

The early retirement incentive program provides continued payment of the employer share of the same health and dental plan the retiree had at termination. The monthly payment continues at the capped rate until attainment of age 65. Any additional premium costs for coverage incurred after the time of retirement shall be paid by the retiree.

All incentives are financed on a pay-as-you-go basis by the Department from which the employee retired. Departments are billed quarterly and remit quarterly.

Early retirement incentive costs for fiscal year 1993 totaled \$673,990 for 361 participants.

The Board of Regents approved, effective July 1, 1986, an Early Retirement Incentive Program (ERIP) for professional employees. This program was in effect until June 30, 1992. It should be noted that this same program was approved for Merit System employees by the Board of Regents effective July 1, 1990 for a one year period trial basis with an extension until June 1992. Effective July 1, 1992 through June 30, 1997, the Board of Regents approved a new early retirement incentive program for all employees.

To be eligible for ERIP, an employee must be 57 to 64 years of age with 10 or more years of service. The latest program requires 15 or more years of service. The employee's participation must be approved by the employee's department head and the appropriate administrative officers.

All incentive payments are financed on a pay-as-you-go basis. An employee approved for participation in the program will receive the following incentives until age 65, unless otherwise specified:

- 1) Health Insurance - The employer's and employee's contributions for the first three (3) years and the employer's contributions until the employee reaches age 68.

With the latest program the employer's contributions are made until the employee is eligible for Medicare coverage.

- 2) Dental Insurance - The employer's and employee's contributions for the first three (3) years and the employer's contributions for the remaining years in the program.

With the latest program the employer's contributions are made until the employee is eligible for Medicare coverage.

- 3) Group Life Insurance - The employer maintains life insurance benefit at the level appropriate to the employee's salary and age.

The latest program provides a \$4,000 paid-up life insurance policy.

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

- 4) TIAA/CREF Contributions - The employer's and employee's contributions for the first three (3) years and employer's share for the remaining years at the level appropriate to the employee's salary if the employee is contributing to TIAA/CREF.

The latest program makes payment of the employer and employee contributions for up to three (3) years; employer contributions only for up to an additional two (2) years; and contributions payable for a maximum of five (5) years or until eligible for full Social Security benefits, whichever occurs first.

- 5) IPERS Contributions - The employer's and employee's contributions for the first three (3) years and the employer's share for the remaining years at the level appropriate to the employee's salary.

The latest program makes payment of a sum equivalent to the employer and employee contributions for up to three (3) years; employer contributions only for up to an additional two (2) years; and contributions payable for a maximum of five (5) years or until eligible for full Social Security benefits, whichever occurs first.

The employee may elect, prior to approval of participation in the program, to accept the present value of all or part of the incentives as a lump sum payment on the beginning date of participation in the program. The rate of interest used to calculate the present value is established annually by the board. The rate used for this fiscal year was 3.96%.

The Board of Regents Institutions contributions for the fiscal year ending June 30, 1993, amounted to \$4,168,253 for 883 participants.

NOTE 27 - RISK MANAGEMENT

The State of Iowa self-insures on behalf of its departments and agencies (except for minimal instances of liability insurance) for losses related to Workers' Compensation, Unemployment Compensation, Medical, Life, Dental, Long-Term Disability, general liability and property other than that belonging to auxiliary enterprises. When a claim is filed or made against the State, the State Appeal Board of Iowa has the authority to approve or reject ordinary claims under ten years of occurrence and tort claims not over \$5,000. Tort claims settled or allowed in excess of \$5,000 must have the

unanimous approval of all the members of the Board, the State Attorney General and the District Court of the State of Iowa for Polk County. A contingent fund is created under the Code of Iowa, Section 29C.20 to provide compensation for property casualty losses.

The State also insures with outside parties for certain liabilities. The State assumes liability for any deductibles and claims in excess of coverage limitations. The Department of Transportation, Iowa State University and the Department of Public Safety each assume responsibility for aircraft liability claims in excess of \$10 million, and the Department of Employment Services assumes fire liability on buildings and contents in excess of \$21.5 million. The University of Northern Iowa assumes liability for physical damage to the UNI-Dome buildings for the first \$75,000 and in excess of \$22.6 million; UNI-Dome physical damage to boiler and machinery in excess of \$10 million; damage to the University apartments in excess of \$9.8 million; residence halls comprehensive liability in excess of \$55.5 million, business interruption in excess of \$9.8 million, damage to contents in excess of \$4.0 million; damage to Mauker Union building and contents in excess of \$8.6 million; assumes liability on construction projects for property and materials in excess of 4.9 million for the library project and in excess of \$3.2 million for the Center for Energy Environmental Education building project. The University of Iowa assumes liability for damage to buildings and contents for the first \$100,000 and in excess of \$1,223.0 million, damage to the power plant for the first \$250,000 and in excess of \$50 million, and liability at the Museum of Art in excess of \$20 million. The Fifth Judicial District assumes liability for physical damage to buildings in excess of \$5.0 million. The State maintains an employee fidelity bond where the first \$100,000 in losses and any losses exceeding \$2 million becomes the responsibility of the State.

Currently, the State does not have a method in place to determine reasonable estimates of claims other than those reported during the State's accrual period.

NOTE 28 - LITIGATION, CONTINGENCIES, AND COMMITMENTS

The State is party to legal proceedings, which normally occur in governmental operations. Other than the litigation discussed below, the legal proceedings are not likely to have a material, adverse impact on the financial position of the State.

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

The Department of Transportation has contractual obligations (unearned balances on construction contracts) at June 30, 1993, as summarized below (expressed in thousands):

	General Fund
Contingent Balance of Construction Obligations	\$ 316,119
Less: Estimated Federal Aid To Be Received	<u>199,326</u>
Net Contingent Liability	<u>\$ 116,793</u>

The Department of Human Services participates in a number of federal grant programs. Audits of these programs, disclosed certain areas of noncompliance with applicable grant requirements. As of June 30, 1993, \$757,000 of federally disallowed costs were unresolved.

The State Appeal Board has the authority to approve or reject general claims under ten years and tort claims not over \$5,000. Tort claims settled or allowed in excess of \$5,000 must have the unanimous approval of all members of the Board, the State Attorney General and the District Court of the State of Iowa for Polk County. Further, all tort claims, whatever the amount, must be filed through the Board. As of June 30, 1993, there were the following tort claims and general claims pending before the Board which could affect a future obligation against the State of Iowa after June 30, 1993 (expressed in thousands):

Tort Claims:	
Contingent Litigation Inventory	\$ 10,000
Contingent Highway Tort Claims	4,472
Contingent Highway Tort Lawsuits	15,400
Contingent Tort Claims Of The State General Fund	332,176
General Claims:	
Contingent General Claims Of Various State Departments	<u>911</u>
Total	<u>\$ 362,959</u>

In addition, to the above claims, there are also claims against the State for which no dollar amount has been specified in the claim.

The Department of Revenue and Finance has pending litigation regarding income tax cases. The cases could result in refunds of \$2.45 million.

The Iowa Finance Authority has signed loan agreements with municipalities totaling \$70.4 million of which \$42.2 million has been disbursed as of June 30, 1993.

Under Single Family Mortgage Bonds, 1992 Series A, B, and C. the Iowa Finance Authority has entered into a securities purchase and sale agreement. The agreement requires an investment company to periodically purchase mortgage-backed securities from a servicer who pools and packages mortgage loans for GNMA and FNMA. The investment company will purchase and hold the securities until July 1, 1994 at which time the Iowa Finance Authority is required to purchase the securities at a price equal to 100 percent of the unpaid principal balance of the mortgage loans collateralizing the securities. The unpaid principal balance of securities purchased by the investment company was approximately \$6,880,000 at June 30, 1993.

The Iowa Underground Storage Tank Financial Responsibility Program provides payment for remediation claims of contamination of ground water sites due to leakage, spill or release of petroleum products by owner/operators. Potential claims for clean-up charges are estimated to total \$287 million. The payment of claims is limited to funds made available by charges to owner/operators and from the collections of environmental protection charges, underground storage tank fees, recoveries, Federal assistance and earnings.

NOTE 29 - RELATED PARTY

The Director of the University of Iowa Hospitals and Clinics is a member of the board of directors of Baxter International Incorporated. Baxter International Incorporated manufactures and distributes a diversified line of products, systems and services used primarily in the health care field. The University of Iowa purchased \$9,287,025 of goods and services from Baxter International during the fiscal year, through established competitive bidding policies and procedures of the University of Iowa Purchasing Department and the State Board of Regents.

NOTE 30 - SUBSEQUENT EVENTS

On July 19, 1993, the *State of Iowa* issued Tax and Revenue Anticipation Notes (TRANS) of \$600 million at an interest rate of 3.25%, priced to yield 2.85%. The notes have a maturity date of June 30, 1994.

STATE OF IOWA

NOTES TO THE FINANCIAL STATEMENTS

The *Department of General Services* have sold \$18.5 million of certificates of participation. The certificates mature over periods from 2 to 13 years with interest rates ranging from 3.65% to 5.55%.

On July 1, 1993, the *Iowa Finance Authority* redeemed prior to maturity \$1,685,000 of Single Family Mortgage Refunding Bonds, 1992 Series F, and \$365,000 of Single Family Mortgage Bonds, 1991 Series A and B. In addition, on July 1, 1993, the Authority remarketed \$4,615,000 of the Single Family Mortgage Bonds, 1991 Series A and B as Single Family Mortgage Bonds, 1991 Series A-1 and B-1. The issues consist of \$740,000 in serial bonds with maturities from January 1, 1994 to July 1, 2005 and interest rates of 3.00 percent to 5.50 percent and \$3,875,000 in term bonds maturing from January 2011 to July 2023 at interest rates of 5.125 percent to 5.95 percent. The Authority also remarketed its \$11,520,000 Single Family Mortgage Bonds, 1992 Series D and \$13,080,000 Single Family Mortgage Bonds, 1992 Series E as convertible bonds at 2.65 percent and 2.85 percent, respectively, with a mandatory tender date of July 1, 1994.

On September 1, 1993, the *Iowa Finance Authority* redeemed prior to maturity \$60,000 of the Single Family Housing Bonds, 1982 Issue A, and \$7,870,000 of the Single Family Housing Bonds, 1984 Issue A.

In July 1993, the *University of Northern Iowa* issued \$7,440,000 in Academic Building Revenue Bonds, Series UNI 1993. The bonds are for the constructing, equipping, and furnishing of an addition to the University library, and for a deposit into the Academic Building Revenue Bond Reserve Fund. The bonds bear interest from 4.15% to 5.65% and mature on July 1 of each year from 1995 through 2015.

In November 1993, the *University of Northern Iowa* issued \$6,520,000 in Academic Building Revenue Refunding Bonds, Series 1993. The bonds are for the refunding of the October 1987 Academic Building Revenue bonds. The Bonds bear interest from 4.00% to 5.50% and mature on July 1 of each year from 1995 through 2012.

The *University of Iowa* on September 1, 1993, issued \$8.935 million of Academic Building Revenue Bonds, Series S.U.I., 1993, under the authorization of the Seventy-Fifth General Assembly of Iowa, 1993 Session, to finance constructing, furnishing and equipping an addition to the Pharmacy Building.

The *University of Iowa* on November 1, 1993, issued \$16.9 million of Academic Building Revenue Refunding

Bonds, Series S.U.I. 1993, to refund Academic Building Revenue Bonds, Series S.U.I. 1987 and 1987A. The proceeds of these bonds will be used to refund in advance of maturity the outstanding bonds and for the costs of issuance. Calculations are still being made to determine the exact financial impact.

On September 1, 1993, *Iowa State University* defeased the Computation Center Revenue Bonds principal balance of \$8,600,000 by depositing \$9,515,000 in escrow as an irrevocable trust fund. Assets will be transferred from the trust to the bond paying agent, sufficient in time and amount for all scheduled debt service payments through June 30, 1996. The principal balance of \$7,625,000 will be called for redemption on July 1, 1996, and the trust fund balance will be withdrawn.

In September 1992 an agreement was entered into to sell the commercial television station owned by, and the primary asset of, ISU Broadcasting Corporation, a wholly-owned subsidiary of Iowa State University. Total cash to be received for the sale/lease of the assets, including the affiliation agreement with ABC, was to be approximately \$12,700,000. The legality of the sale procedure was challenged in the Iowa District Court and the District Court ruling nullified the agreement. This ruling has been overturned by the Iowa Supreme Court as of November 24, 1993.

On July 9, 1993, *Iowa State University* suffered storm damage losses estimated at \$6,814,000. It has been determined that the University is eligible for reimbursement from insurance, assistance from the Federal Emergency Management Agency, and the State of Iowa Executive Council under chapter 29C.20 of the Code of Iowa.

It is unknown, at this time, what actual assistance will be forthcoming from these sources but the University anticipates being reimbursed for at least 90% of estimated damage. In the interim, the losses will be funded from available University funds, including surplus funds, where appropriate.

In July 1993, the *State of Iowa* experienced massive flooding which resulted in 96 counties being declared disaster areas. The greatest damage will be seen in the agriculture industry, not only in the loss of total crops, but substantially decreased yields, as well as loss to agricultural industries. The expected loss of agricultural revenue to the state general fund is estimated at \$27.5 million. In addition to this revenue loss, Iowa will have to provide approximately \$9.2 million in matching funds for federal disaster relief for the Individual and Family Grants and Public Assistance programs.

COMBINING FINANCIAL STATEMENTS



Iowa farms are family farms: 85 percent of Iowa farms are owned by an individual or family; 10 percent are partnerships; and five percent are under some other type of ownership. Since 1976 the Century Farm Program has recognized about 10,700 families who have retained ownership of their farms for 100 years or more.

COMBINING FINANCIAL STATEMENTS

Special Revenue Funds

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Governor's Youth Conference Fund received funds from various sources to be spent on the Governor's Youth Conference.

Plumbing Code Fund per the Iowa Code, cities licensing plumbers remit a stated amount of each license fee to the state. The fee shall be kept in a separate fund and used in paying the cost of printing the Plumbing Code of Rules.

Scholarship and Tuition Grant Reserve Fund receives surplus monies for scholarships and grants at the end of each fiscal year to be used as a reserve for over expenditures in the scholarship and grant accounts.

General Services Special Fund receives specific taxes for designated programs.

STATE OF IOWA

Combining Balance Sheet Special Revenue Funds

June 30, 1993
(Expressed in Thousands)

	GOVERNOR'S YOUTH CONFERENCE	PLUMBING CODE	SCHOLARSHIP & TUITION GRANT RESERVE	GENERAL SERVICES SPECIAL	TOTAL
ASSETS					
Cash & Investments	\$ 9	\$ 1	\$ -	\$ 169	\$ 179
Due From Other Funds	<u>-</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>14</u>
TOTAL ASSETS	<u>\$ 9</u>	<u>\$ 1</u>	<u>\$ 14</u>	<u>\$ 169</u>	<u>\$ 193</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE					
Unreserved Fund Equity	<u>9</u>	<u>1</u>	<u>14</u>	<u>169</u>	<u>193</u>
TOTAL FUND BALANCE	<u>9</u>	<u>1</u>	<u>14</u>	<u>169</u>	<u>193</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 9</u>	<u>\$ 1</u>	<u>\$ 14</u>	<u>\$ 169</u>	<u>\$ 193</u>

STATE OF IOWA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenue Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

	GOVERNOR'S YOUTH CONFERENCE	PLUMBING CODE	SCHOLARSHIP & TUITION GRANT RESERVE	GENERAL SERVICES SPECIAL	TOTAL
REVENUES:					
Fees, Licenses & Permits	\$ 15	\$ -	\$ -	\$ -	\$ 15
Miscellaneous	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>
TOTAL REVENUES	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22</u>
EXPENDITURES:					
Current:					
General Government	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19</u>
TOTAL EXPENDITURES	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers:					
Transfers In	-	-	14	-	14
Transfers Out	<u>-</u>	<u>-</u>	<u>(501)</u>	<u>(103)</u>	<u>(604)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(487)</u>	<u>(103)</u>	<u>(590)</u>
REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>3</u>	<u>-</u>	<u>(487)</u>	<u>(103)</u>	<u>(587)</u>
FUND BALANCE JULY 1	<u>6</u>	<u>1</u>	<u>501</u>	<u>272</u>	<u>780</u>
FUND BALANCE JUNE 30	<u>\$ 9</u>	<u>\$ 1</u>	<u>\$ 14</u>	<u>\$ 169</u>	<u>\$ 193</u>

STATE OF IOWA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Budgetary Basis Special Revenue Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

	PRIMARY ROAD FUND			GUARANTEED STUDENT LOAN ADMINISTRATION		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
APPROPRIATED REVENUE:						
Transfers	\$303,750	\$341,861	\$ 38,111	\$ 10,000	\$ -	\$ (10,000)
TOTAL APPROPRIATED REVENUE	303,750	341,861	38,111	10,000	-	(10,000)
RECEIPTS CREDITED TO APPROPRIATIONS:						
Sales Tax	4	5	1	-	-	-
Use Tax	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-
Federal Support	230,001	222,680	(7,321)	14,726	17,600	2,874
Local Governments	1,500	2,573	1,073	-	-	-
Other States	10,700	9,222	(1,478)	-	-	-
Internal Service Reimbursements	200	203	3	-	-	-
Interest	95	17	(78)	2,681	1,583	(1,098)
Fees & Licenses	745	768	23	2,238	1,147	(1,091)
Refunds & Reimbursements	1,800	4,370	2,570	349	60	(289)
Real Estate Sales	1,700	966	(734)	-	-	-
Equipment Salvage	-	-	-	-	-	-
Rents & Leases	13	15	2	-	-	-
Agricultural Sales	-	-	-	-	-	-
Other Sales	-	-	-	-	-	-
Unearned Receipts	-	-	-	-	-	-
Income Tax Checkoffs	-	-	-	-	-	-
Other	1,820	2,069	249	-	-	-
TOTAL APPROPRIATED RECEIPTS	248,578	242,888	(5,690)	19,994	20,390	396
TOTAL REVENUES AVAILABLE	552,328	584,749	32,421	29,994	20,390	(9,604)
EXPENDITURES:						
Administration	-	-	-	-	-	-
Agriculture & Natural Resources	-	-	-	-	-	-
Education	-	-	-	22,746	22,845	(99)
Regulation	-	-	-	-	-	-
Transportation & Public Safety	369,523	336,954	32,569	-	-	-
TOTAL EXPENDITURES	369,523	336,954	32,569	22,746	22,845	(99)
TRANSFERS	194,501	189,039	5,462	-	-	-
TOTAL EXPENDITURES & TRANSFERS	564,024	525,993	38,031	22,746	22,845	(99)
REVENUES AVAILABLE OVER (UNDER) EXPENDITURES & OTHER ITEMS	(11,696)	58,756	70,452	7,248	(2,455)	(9,703)
FUND BALANCE JULY 1	(12,116)	(12,116)	-	22,351	22,351	-
Prior Period Adjustment	-	-	-	-	-	-
FUND BALANCE JULY 1, RESTATED	(12,116)	(12,116)	-	22,351	22,351	-
FUND BALANCE JUNE 30	\$ (23,812)	\$ 46,640	\$ 70,452	\$ 29,599	\$ 19,896	\$ (9,703)

STATE OF IOWA

UNDERGROUND STORAGE TANK UNASSIGNED REVENUE			RESOURCE ENHANCEMENT AND PROTECTION FUND		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ 20,000	\$ 11,573	\$ (8,427)	\$ 8,547	\$ 8,547	\$ -
<u>20,000</u>	<u>11,573</u>	<u>(8,427)</u>	<u>8,547</u>	<u>8,547</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	315	315
-	-	-	-	-	-
-	-	-	-	-	-
400	1,215	815	-	-	-
-	-	-	-	186	186
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6	1	(5)
<u>400</u>	<u>1,215</u>	<u>815</u>	<u>6</u>	<u>502</u>	<u>496</u>
<u>20,400</u>	<u>12,788</u>	<u>(7,612)</u>	<u>8,553</u>	<u>9,049</u>	<u>496</u>
2,427	1,918	509	-	-	-
-	-	-	16,100	9,663	6,437
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,427</u>	<u>1,918</u>	<u>509</u>	<u>16,100</u>	<u>9,663</u>	<u>6,437</u>
<u>236</u>	<u>-</u>	<u>236</u>	<u>2,129</u>	<u>414</u>	<u>1,715</u>
<u>2,663</u>	<u>1,918</u>	<u>745</u>	<u>18,229</u>	<u>10,077</u>	<u>8,152</u>
<u>17,737</u>	<u>10,870</u>	<u>(6,867)</u>	<u>(9,676)</u>	<u>(1,028)</u>	<u>8,648</u>
-	-	-	10,037	10,037	-
15,954	15,954	-	-	-	-
<u>15,954</u>	<u>15,954</u>	<u>-</u>	<u>10,037</u>	<u>10,037</u>	<u>-</u>
<u>\$ 33,691</u>	<u>\$ 26,824</u>	<u>\$ (6,867)</u>	<u>\$ 361</u>	<u>\$ 9,009</u>	<u>\$ 8,648</u>

continued on next page

STATE OF IOWA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Budgetary Basis Special Revenue Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)
(Continued)

	OTHER			TOTAL		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
APPROPRIATED REVENUE:						
Transfers	\$ 1,718	\$ 1,688	\$ (30)	\$ 344,015	\$ 363,669	\$ 19,654
TOTAL APPROPRIATED REVENUE	1,718	1,688	(30)	344,015	363,669	19,654
RECEIPTS CREDITED TO APPROPRIATIONS:						
Sales Tax	-	-	-	4	5	1
Use Tax	1,947	1,947	-	1,947	1,947	-
Other Taxes	6,396	6,433	37	6,396	6,433	37
Federal Support	6,902	5,958	(944)	251,629	246,553	(5,076)
Local Governments	-	-	-	1,500	2,573	1,073
Other States	-	-	-	10,700	9,222	(1,478)
Internal Service Reimbursements	-	2	2	200	205	5
Interest	433	260	(173)	3,609	3,075	(534)
Fees & Licenses	16,214	15,408	(806)	19,197	17,323	(1,874)
Refunds & Reimbursements	87	68	(19)	2,236	4,684	2,448
Real Estate Sales	-	-	-	1,700	966	(734)
Equipment Salvage	25	39	14	25	39	14
Rents & Leases	-	9	9	13	24	11
Agricultural Sales	15	1	(14)	15	1	(14)
Other Sales	330	697	367	330	697	367
Unearned Receipts	752	(217)	(969)	752	(217)	(969)
Income Tax Checkoffs	180	188	8	180	188	8
Other	384	309	(75)	2,210	2,379	169
TOTAL APPROPRIATED RECEIPTS	33,665	31,102	(2,563)	302,643	296,097	(6,546)
TOTAL REVENUES AVAILABLE	35,383	32,790	(2,593)	646,658	659,766	13,108
EXPENDITURES:						
Administration	-	-	-	2,427	1,918	509
Agriculture & Natural Resources	5,449	-	5,449	21,549	9,663	11,886
Education	1	1	-	22,747	22,846	(99)
Regulation	7,157	6,287	870	7,157	6,287	870
Transportation & Public Safety	1,049	1,068	(19)	370,572	338,022	32,550
TOTAL EXPENDITURES	13,656	7,356	6,300	424,452	378,736	45,716
TRANSFERS	24,812	26,278	(1,466)	221,678	215,731	5,947
TOTAL EXPENDITURES & TRANSFERS	38,468	33,634	4,834	646,130	594,467	51,663
REVENUES AVAILABLE OVER (UNDER) EXPENDITURES & OTHER ITEMS	(3,085)	(844)	2,241	528	65,299	64,771
FUND BALANCE JULY 1	6,621	6,621	-	26,893	26,893	-
Prior Period Adjustment	-	-	-	15,954	15,954	-
FUND BALANCE JULY 1, RESTATED	6,621	6,621	-	42,847	42,847	-
FUND BALANCE JUNE 30	\$ 3,536	\$ 5,777	\$ 2,241	\$ 43,375	\$ 108,146	\$ 64,771



◆ ○ ○ ◆

The cost of producing an acre of corn in 1993 is estimated at \$307.06. This includes \$76.14 for machinery costs; \$118.52 for seed, chemicals, etc.; \$20.40 for labor; and \$92.00 for land. If the yield of the acre is 120 bushels, (the average for corn following corn), total cost per bushel is \$2.56. In 1992, corn prices averaged from a high of \$2.47 a bushel in March to a low of \$1.93 a bushel in November and December.

◆ ○ ○ ◆



Modern machinery has allowed the Iowa farmer to become as productive and efficient as any in the world. It is estimated that there are more than 362,000 tractors and combines on Iowa farms. In addition, Iowa farmers use about 47,000 balers, 32,000 mowers, and 143,000 pickups and trucks.



COMBINING FINANCIAL STATEMENTS

Capital Projects Funds

Capital Projects funds are used to account for the construction of major capital facilities other than those financed by proprietary funds and trust funds.

Resources Enhancement and Protection Fund is used to account for building projects, reconstruction of buildings and the acquisition of land.

Recreation Trails Development Fund is used to account for the acquisition and construction of recreational trails within the State.

Headquarter STARC Armory Fund is used to account for the construction of a Headquarter State Area Command Armory.

Corrections Capitals Fund is to account for the construction of correctional services facilities expansion.

Other Capital Projects Funds, aggregated for reporting purposes, represent construction of various armories and prison expansion programs.

STATE OF IOWA

Combining Balance Sheet Capital Projects Funds

June 30, 1993
(Expressed in Thousands)

	RESOURCES ENHANCEMENT & PROTECTION	RECREATIONAL TRAILS DEVELOPMENT	HEADQUARTER STARC ARMORY	CORRECTIONS CAPITALS	OTHER	TOTAL
ASSETS						
Cash & Investments	\$ 9,175	\$ 1,503	\$ 1,443	\$ -	\$ 1,662	\$ 13,783
Deposits With Trustee	-	-	-	3,257	248	3,505
Accounts Receivable	110	-	-	-	110	220
Interest Receivable	-	-	-	52	-	52
Loans Receivable	-	21	-	-	-	21
Due From Other Funds	<u>46</u>	<u>-</u>	<u>136</u>	<u>-</u>	<u>1,148</u>	<u>1,330</u>
TOTAL ASSETS	<u>\$ 9,331</u>	<u>\$ 1,524</u>	<u>\$ 1,579</u>	<u>\$ 3,309</u>	<u>\$ 3,168</u>	<u>\$ 18,911</u>
LIABILITIES						
Accounts Payable & Accruals	\$ 231	\$ 12	\$ 192	\$ 209	\$ 826	\$ 1,470
Due To Other Funds	<u>85</u>	<u>-</u>	<u>64</u>	<u>-</u>	<u>7</u>	<u>156</u>
TOTAL LIABILITIES	<u>316</u>	<u>12</u>	<u>256</u>	<u>209</u>	<u>833</u>	<u>1,628</u>
FUND BALANCE						
Reserve For:						
Noncurrent Receivables	-	14	-	-	-	14
Specific Purposes	-	-	-	3,100	247	3,347
Unreserved Fund Equity	<u>9,015</u>	<u>1,498</u>	<u>1,323</u>	<u>-</u>	<u>2,088</u>	<u>13,924</u>
TOTAL FUND BALANCE	<u>9,015</u>	<u>1,512</u>	<u>1,323</u>	<u>3,100</u>	<u>2,335</u>	<u>17,285</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 9,331</u>	<u>\$ 1,524</u>	<u>\$ 1,579</u>	<u>\$ 3,309</u>	<u>\$ 3,168</u>	<u>\$ 18,911</u>

STATE OF IOWA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Capital Projects Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

	RESOURCES ENHANCEMENT & PROTECTION	RECREATIONAL TRAILS DEVELOPMENT	HEADQUARTER STARC ARMORY	CORRECTIONS CAPITALS	OTHER	TOTAL
REVENUES:						
Receipts From Other						
Entitles	\$ 279	\$ -	\$2,902	\$ -	\$ 650	\$ 3,831
Investment Income	-	7	-	198	7	212
Fees, Licenses & Permits	-	-	-	-	422	422
Refunds & Reimbursements	186	-	-	-	37	223
Miscellaneous	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44</u>	<u>45</u>
TOTAL REVENUES	<u>466</u>	<u>7</u>	<u>2,902</u>	<u>198</u>	<u>1,160</u>	<u>4,733</u>
EXPENDITURES:						
Capital Outlay:						
General Government	-	-	-	-	1,055	1,055
Transportation	-	922	-	-	2,685	3,607
Law, Justice & Public Safety	-	-	3,525	1,445	1,758	6,728
Agriculture & Natural Resources	<u>7,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,255</u>	<u>12,941</u>
TOTAL EXPENDITURES	<u>7,686</u>	<u>922</u>	<u>3,525</u>	<u>1,445</u>	<u>10,753</u>	<u>24,331</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(7,220)</u>	<u>(915)</u>	<u>(623)</u>	<u>(1,247)</u>	<u>(9,593)</u>	<u>(19,598)</u>
OTHER FINANCING SOURCES (USES):						
Operating Transfers:						
Transfers In	8,589	1,000	70	-	6,493	16,152
Transfers Out	<u>(2,391)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300)</u>	<u>(2,691)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,198</u>	<u>1,000</u>	<u>70</u>	<u>-</u>	<u>6,193</u>	<u>13,461</u>
REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(1,022)</u>	<u>85</u>	<u>(553)</u>	<u>(1,247)</u>	<u>(3,400)</u>	<u>(6,137)</u>
FUND BALANCE JULY 1	<u>10,037</u>	<u>1,427</u>	<u>1,876</u>	<u>4,347</u>	<u>5,735</u>	<u>23,422</u>
FUND BALANCE JUNE 30	<u>\$ 9,015</u>	<u>\$1,512</u>	<u>\$1,323</u>	<u>\$ 3,100</u>	<u>\$ 2,335</u>	<u>\$ 17,285</u>



Iowa farmers are constantly updating their methods and equipment. About 2,700 tractors and 1,030 combines are sold annually in Iowa.

COMBINING FINANCIAL STATEMENTS

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the government is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the government has decided that a period determination of net income is appropriate for accountability purposes.

Iowa Higher Education Loan Authority provides for the financing of educational loans for students attending private educational institutions in the State and financing for acquisition, construction, and renovation of educational facilities.

Iowa Finance Authority facilitates programs which assist in attainment of adequate houseing for low or moderate income families. The authority also issues revenue bonds, the proceeds of which are used to provide limited types of financing to qualified small businesses. The Authority also acts as a supplement to the abstract attorney's title opinion system.

Iowa Lottery is used to account for lottery revenues, administrative and operating expenses of the Lottery division, and the distribution of revenue to the General Fund.

State Communication Network Fund accounts for a statewide telecommunications system and its related revenues and expenditures.

Other Enterprise Funds of the State include farm operations, prison industries, and other miscellaneous activities that meet the definition of Enterprise funds.

STATE OF IOWA

Combining Balance Sheet Enterprise Funds

June 30, 1993

(Expressed in Thousands)

	IOWA HIGHER EDUCATION LOAN AUTHORITY	IOWA FINANCE AUTHORITY	IOWA LOTTERY	STATE COM- MUNICATION NETWORK	OTHER	TOTAL
ASSETS						
Cash & Investments	\$ 33,608	\$ 469,510	\$ 11,974	\$ 26,085	\$ 40,521	\$ 581,698
Accounts Receivable	-	-	6,439	68	3,709	10,216
Interest Receivable	312	5,491	-	1	92	5,896
Loans Receivable	35,987	197,295	-	-	-	233,282
Due From Other Funds	-	-	-	391	392	783
Fixed Assets (Net)	3	272	1,253	84,242	9,929	95,699
Inventory	-	-	1,549	-	4,370	5,919
Prepaid Expense	205	-	676	766	795	2,442
Other Assets	-	130	-	2,265	21	2,416
Investment In Prize Annuity	-	-	80,070	-	-	80,070
Prize Deposit	-	-	2,142	-	-	2,142
TOTAL ASSETS	<u>\$ 70,115</u>	<u>\$672,698</u>	<u>\$104,103</u>	<u>\$113,818</u>	<u>\$ 59,829</u>	<u>\$1,020,563</u>
LIABILITIES						
Accounts Payable & Accruals	\$ 35	\$ 9,050	\$ 2,772	\$ 8,224	\$ 11,465	\$ 31,546
Due To Other Funds	-	-	3,112	6	56	3,174
Interest Payable	767	10,669	-	2,929	-	14,365
Deferred Revenue	628	7,819	218	-	1,225	9,890
Compensated Absences	-	-	417	-	494	911
Capital Leases	-	-	-	-	40	40
Bonds Payable	67,527	530,423	-	-	-	597,950
Other Financing Arrangements Payable	-	-	-	95,018	60	95,078
Annuities Payable	-	-	80,201	-	-	80,201
Billings & Cash For Unsold Tickets	-	-	4,772	-	-	4,772
Lottery Prizes Payable	-	-	9,354	-	-	9,354
Lease Obligation From Discontinued Operations	-	-	-	-	1,130	1,130
TOTAL LIABILITIES	<u>68,957</u>	<u>557,981</u>	<u>100,846</u>	<u>106,177</u>	<u>14,470</u>	<u>848,411</u>
FUND EQUITY						
Contributed Capital: Intergovernmental	-	-	-	296	2,312	2,608
Retained Earnings	1,158	114,737	3,257	7,345	43,047	169,544
TOTAL FUND EQUITY	<u>1,158</u>	<u>114,737</u>	<u>3,257</u>	<u>7,641</u>	<u>45,359</u>	<u>172,152</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 70,115</u>	<u>\$672,698</u>	<u>\$104,103</u>	<u>\$113,818</u>	<u>\$ 59,829</u>	<u>\$1,020,563</u>

STATE OF IOWA

Combining Statement of Revenues, Expenses and Changes in Retained Earnings Enterprise Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

	IOWA HIGHER EDUCATION LOAN AUTHORITY	IOWA FINANCE AUTHORITY	IOWA LOTTERY	STATE COM- MUNICATION NETWORK	OTHER	TOTAL
OPERATING REVENUES:						
Receipts From Other Entities	\$ 38	\$ 14,357	\$ -	\$ 500	\$ 241	\$ 15,136
Investment Income	2,172	36,033	-	-	1,317	39,522
Fees, Licenses & Permits	-	4,399	23	-	8,948	13,370
Refunds &						
Reimbursements	-	-	-	464	181	645
Sales, Rents & Services	-	-	197,327	-	100,608	297,935
Miscellaneous	76	-	18	-	14,353	14,447
TOTAL OPERATING REVENUES	2,286	54,789	197,368	964	125,648	381,055
OPERATING EXPENSES:						
General & Administrative	127	13,839	33,418	775	87,747	135,906
Depreciation	1	155	345	-	902	1,403
Market Development	-	-	-	-	734	734
Prize Expense	-	-	116,820	-	-	116,820
TOTAL OPERATING EXPENSES	128	13,994	150,583	775	89,383	254,863
OPERATING INCOME	2,158	40,795	46,785	189	36,265	126,192
NONOPERATING REVENUES (EXPENSES):						
Taxes	-	3,159	-	5,000	3,520	11,679
Investment Income	1,245	16,459	580	-	137	18,421
Interest Expense	(3,233)	(43,174)	-	(417)	(4)	(46,828)
Gain On Sale Of Fixed Assets	-	-	-	-	30	30
Loss On Sale Of Fixed Assets	-	-	-	-	(16)	(16)
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,988)	(23,556)	580	4,583	3,667	(16,714)
INCOME BEFORE OPERATING TRANSFERS	170	17,239	47,365	4,772	39,932	109,478
OPERATING TRANSFERS:						
Transfers In	-	-	-	498	-	498
Transfers Out	-	-	(45,726)	(324)	(23,250)	(69,300)
TOTAL OPERATING TRANSFERS	-	-	(45,726)	174	(23,250)	(68,802)
NET INCOME	170	17,239	1,639	4,946	16,682	40,676
RETAINED EARNINGS JULY 1	968	97,498	1,618	2,399	26,365	128,868
RETAINED EARNINGS JUNE 30	\$ 1,158	\$ 114,737	\$ 3,257	\$ 7,345	\$ 43,047	\$ 169,544

STATE OF IOWA

Combining Statement of Cash Flows Enterprise Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

	IOWA HIGHER EDUCATION LOAN AUTHORITY	IOWA FINANCE AUTHORITY	IOWA LOTTERY	STATE COMMUNI- CATION NETWORK	OTHER	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received From Customers	\$ 114	\$ -	\$ 194,456	\$ 734	\$ 124,927	\$ 320,231
Other Operating Revenue	-	17,772	42	-	-	17,814
Cash Received On Loans Receivable	7,085	57,628	-	-	-	64,713
Interest Received	2,001	30,500	-	-	-	32,501
Cash Payments To Suppliers						
For Goods & Services	(152)	(7,330)	(32,961)	(626)	(93,125)	(134,194)
Cash Payments For Prizes	-	-	(116,754)	-	-	(116,754)
Purchases Of Loans Receivable	(3,265)	(29,859)	-	-	-	(33,124)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,783</u>	<u>68,711</u>	<u>44,783</u>	<u>108</u>	<u>31,802</u>	<u>151,187</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Operating Transfers In From Other Funds	-	-	-	696	-	696
Operating Transfers Out To Other Funds	-	-	(43,708)	(324)	(23,249)	(67,281)
Proceeds From Sale Of Revenue Bonds	26,695	136,769	-	-	-	163,464
Principal Paid On Revenue Bonds	(28,795)	(188,285)	-	-	-	(217,080)
Interest Paid	(2,423)	(36,847)	-	-	-	(39,070)
Tax Receipts	-	1,368	-	5,000	3,520	9,888
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>(4,523)</u>	<u>(86,795)</u>	<u>(43,708)</u>	<u>5,372</u>	<u>(19,729)</u>	<u>(149,363)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition & Construction Of Capital Assets	-	(66)	(489)	(60,195)	(1,178)	(61,908)
Interest Paid	-	-	-	(4,394)	(10)	(4,404)
Contributed Capital	-	-	-	296	-	296
Proceeds From Sale Of Capital Assets	-	-	37	-	49	86
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>(66)</u>	<u>(432)</u>	<u>(64,293)</u>	<u>(1,139)</u>	<u>(65,930)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest & Dividends On Investments	1,245	24,834	696	3,072	1,244	31,091
Proceeds From Sale & Maturities Of Investments	-	48,241	9,084	4,545	343	62,213
Purchase Of Investments	(2,397)	(45,051)	(6,936)	(1,034)	(344)	(55,762)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>(1,152)</u>	<u>28,024</u>	<u>2,844</u>	<u>6,583</u>	<u>1,243</u>	<u>37,542</u>

continued on next page

STATE OF IOWA

(Continued)

	IOWA HIGHER EDUCATION LOAN AUTHORITY	IOWA FINANCE AUTHORITY	IOWA LOTTERY	STATE COMMUNI- CATION NETWORK	OTHER	TOTAL
NET INCREASE IN CASH & CASH EQUIVALENTS	108	9,874	3,487	(52,230)	12,177	(26,584)
CASH & CASH EQUIVALENTS JULY 1	<u>162</u>	<u>20,081</u>	<u>8,487</u>	<u>72,357</u>	<u>27,187</u>	<u>128,274</u>
CASH & CASH EQUIVALENTS JUNE 30	270	29,955	11,974	20,127	39,364	101,690
INVESTMENTS	<u>33,338</u>	<u>439,555</u>	<u>—</u>	<u>5,958</u>	<u>1,157</u>	<u>480,008</u>
CASH AND INVESTMENTS PER BALANCE SHEET	<u>\$33,608</u>	<u>\$ 469,510</u>	<u>\$ 11,974</u>	<u>\$26,085</u>	<u>\$ 40,521</u>	<u>\$561,098</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating Income	\$ 2,158	\$ 40,795	\$ 46,785	\$ 189	\$ 36,265	\$ 126,192
Adjustments To Reconcile Operating Income To Net Cash Provided By Operating Activities						
Depreciation	1	155	345	-	948	1,449
Compensated Absences	-	-	-	-	34	34
Interest (Income)	-	(5,905)	-	-	(1,317)	(7,222)
Loss On Defeasance Of Debt	-	5,959	-	-	-	5,959
Loss On Sale Of Fixed Assets	-	-	4	-	4	8
(Increase) Decrease In Accounts Receivable	-	-	(4,201)	(53)	(413)	(4,667)
(Increase) Decrease In Due From Other Funds	-	-	-	(177)	-	(177)
(Increase) Decrease In Inventory	-	-	(725)	-	(525)	(1,250)
(Increase) Decrease In Prepaid Expense	5	-	(205)	40	(319)	(479)
(Increase) Decrease In Interest Receivable	(78)	376	-	-	-	298
(Increase) Decrease In Loans Receivable	3,761	27,900	-	-	-	31,661
(Increase) Decrease In Other Assets	-	20	(2,152)	174	-	(1,958)
Increase (Decrease) In Accounts Payable & Accruals	(30)	415	1,112	-	(3,261)	(2,464)
Increase (Decrease) In Interest Payable	-	-	-	-	27	27
Increase (Decrease) In Due To Other Funds	-	-	13	(65)	49	(3)
Increase (Decrease) In Prizes Payable	-	-	2,233	-	-	2,233
Increase (Decrease) In Billings & Cash	-	-	1,720	-	-	1,720
Increase (Decrease) In Deferred Revenue	(34)	(1,004)	(148)	-	1,010	(174)
Net Cash Provided By Operating Activities	<u>\$ 5,783</u>	<u>\$ 68,711</u>	<u>\$ 44,783</u>	<u>\$ 108</u>	<u>\$ 31,802</u>	<u>\$ 151,187</u>
Noncash investing, capital and financing activities:						

Bond discount and issuance costs of \$4,005,838 for the Iowa Finance Authority and \$799,714 for the Iowa Higher Education Loan Authority were deducted from Revenue Bond proceeds. The discount and issuance costs will be amortized over the debt repayment period.



The 1987 Census of Agriculture showed the average Iowa farmer was 49.3 years old. This compares with 47.6 years in 1982, 47.5 years in 1978, 48.5 in 1969, 48.5 in 1964 and 47.6 in 1959.

COMBINING FINANCIAL STATEMENTS

Internal Service Funds

Internal Service funds account for state activities that provide goods and services to other state departments or agencies on a cost reimbursement basis.

Depreciation Revolving Fund receives monthly cash deposits from departments owning vehicles. The money is used to purchase replacement vehicles for the department.

Centralized Purchasing Revolving Fund is used to account for purchase orders of State departments and the departments are then billed for the purchases.

Telephone Revolving Fund was created to pay the telephone bill for the State complex, which is then reimbursed by the individual departments.

Materials and Equipment Revolving Fund accounts for the purchase, repair, maintenance and replacement of equipment, machinery, and supplies used by the Department of Transportation.

Other Internal Service Funds, aggregated for reporting purposes, account for other miscellaneous activities that meet the definition of Internal Services funds

STATE OF IOWA

Combining Balance Sheet Internal Service Funds

June 30, 1993
(Expressed in Thousands)

	DEPRECIATION REVOLVING	CENTRALIZED PURCHASING REVOLVING	TELEPHONE REVOLVING	MATERIALS & EQUIPMENT REVOLVING	OTHER	TOTAL
ASSETS						
Cash & Investments	\$ 8,520	\$ -	\$ 840	\$ 4,275	\$ 2,582	\$ 16,217
Accounts Receivable	74	68	69	168	113	492
Due From Other Funds	131	16,210	1,019	3,287	1,833	22,480
Fixed Assets (Net)	-	-	3,173	57,683	2,716	63,572
Inventory	2,950	445	381	4,963	880	9,619
Prepaid Expense	-	-	11	-	625	636
TOTAL ASSETS	<u>\$ 11,675</u>	<u>\$16,723</u>	<u>\$ 5,493</u>	<u>\$ 70,376</u>	<u>\$8,749</u>	<u>\$113,016</u>
LIABILITIES						
Accounts Payable & Accruals	\$ 10	\$ 15,358	\$ 128	\$ 1,918	\$ 1,559	\$ 18,973
Due To Other Funds	647	691	196	16	579	2,129
Deferred Revenue	10,951	-	-	-	-	10,951
Compensated Absences	-	-	57	267	203	527
Installment Purchases	-	-	1,678	-	103	1,781
TOTAL LIABILITIES	<u>11,608</u>	<u>16,049</u>	<u>2,059</u>	<u>2,201</u>	<u>2,444</u>	<u>34,361</u>
FUND EQUITY						
Retained Earnings	67	674	3,434	68,175	6,305	78,655
TOTAL FUND EQUITY	<u>67</u>	<u>674</u>	<u>3,434</u>	<u>68,175</u>	<u>6,305</u>	<u>78,655</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 11,675</u>	<u>\$16,723</u>	<u>\$ 5,493</u>	<u>\$ 70,376</u>	<u>\$ 8,749</u>	<u>\$113,016</u>

STATE OF IOWA

Combining Statement of Revenues, Expenses and Changes in Retained Earnings Internal Service Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

	DEPRECIATION REVOLVING	CENTRALIZED PURCHASING REVOLVING	TELEPHONE REVOLVING	MATERIALS & EQUIPMENT REVOLVING	OTHER	TOTAL
OPERATING REVENUES:						
Receipts From Other Entities	\$ 3,156	\$ 72,968	\$ 5,898	\$ 628	\$ 15,927	\$ 98,577
Fees, Licenses & Permits	-	-	-	-	563	563
Refunds & Reimbursements	-	-	-	34,289	226	34,515
Sales, Rents & Services	1,889	-	-	-	274	2,163
Miscellaneous	-	-	1	2,195	55	2,251
TOTAL OPERATING REVENUES	5,045	72,968	5,899	37,112	17,045	138,069
OPERATING EXPENSES:						
Depreciation	-	-	656	12,754	520	13,930
Personal Services	-	-	478	2,839	2,321	5,638
Travel & Subsistence	101	-	15	4,349	3,825	8,290
Supplies & Materials	3	6,689	331	13,423	5,288	25,734
Contractual Services	48	-	2,929	2,572	4,863	10,412
Equipment & Repairs	5,239	-	-	-	88	5,327
Claims & Miscellaneous	-	65,856	151	-	349	66,356
Refunds	-	-	-	16	5	21
Plant Improvements	-	-	-	-	35	35
TOTAL OPERATING EXPENSES	5,391	72,545	4,560	35,953	17,294	135,743
OPERATING INCOME (LOSS)	(346)	423	1,339	1,159	(249)	2,326
NONOPERATING REVENUES (EXPENSES):						
Taxes	-	-	-	19	450	469
Investment Income	-	-	-	-	61	61
Gain On Sale Of Fixed Assets	-	-	-	1,118	-	1,118
Loss On Sale Of Fixed Assets	-	-	(1)	-	(677)	(678)
TOTAL NONOPERATING REVENUES (EXPENSES)	-	-	(1)	1,137	(166)	970
INCOME BEFORE OPERATING TRANSFERS	(346)	423	1,338	2,296	(415)	3,296
OPERATING TRANSFERS:						
Transfers In	-	3	10	3,079	18	3,110
Transfers Out	-	-	(186)	-	(1,206)	(1,392)
TOTAL OPERATING TRANSFERS	-	3	(176)	3,079	(1,188)	1,718
NET INCOME	(346)	426	1,162	5,375	(1,603)	5,014
RETAINED EARNINGS JULY 1	413	248	2,272	62,800	7,908	73,641
RETAINED EARNINGS JUNE 30	\$ 67	\$ 674	\$ 3,434	\$ 68,175	\$ 6,305	\$78,655

STATE OF IOWA

Combining Statement of Cash Flows Internal Service Funds

For the Year Ended June 30, 1993

(Expressed in Thousands)

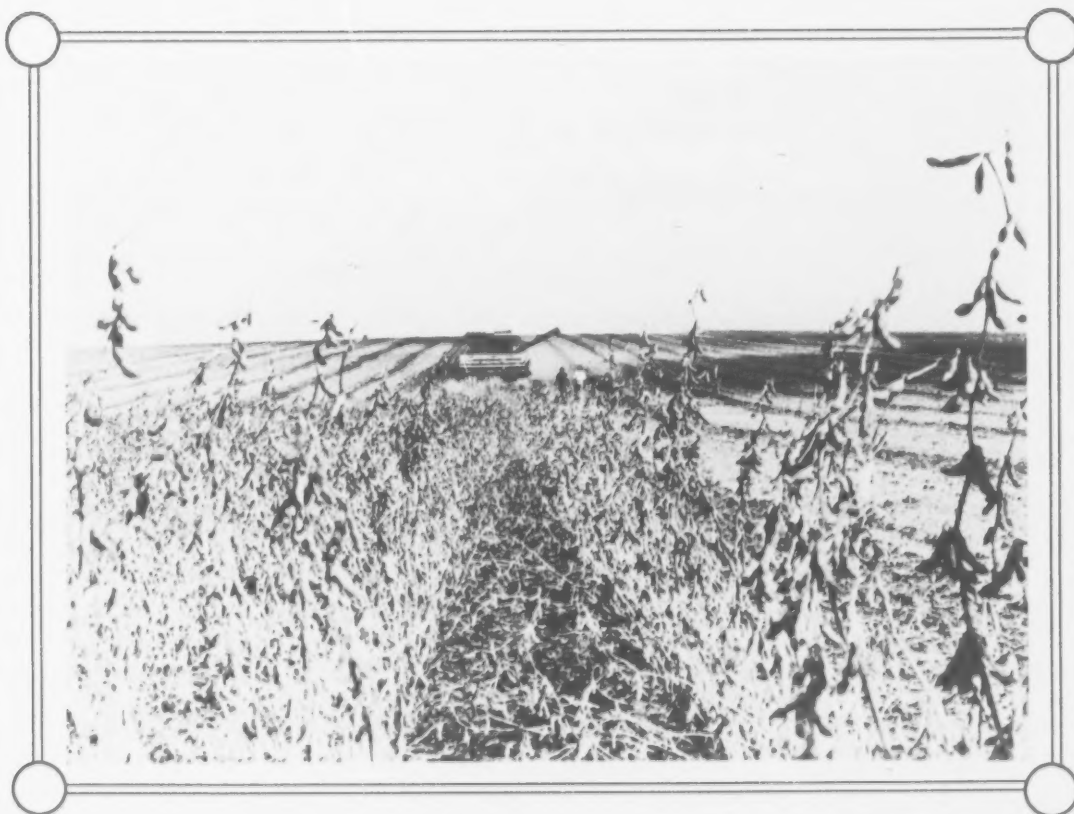
	DEPRECIATION REVOLVING	CENTRALIZED PURCHASING REVOLVING	TELEPHONE REVOLVING	MATERIALS & EQUIPMENT REVOLVING	OTHER	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received From Customers	\$ 8,225	\$ 62,764	\$ 5,423	\$ 35,515	\$ 16,708	\$ 128,635
Cash Received From Miscellaneous	-	-	1	2,195	55	2,251
Cash Payments To Suppliers For Goods & Services	(6,251)	(62,946)	(3,626)	(22,249)	(14,081)	(109,153)
Cash Payments To Employees For Services	<u>(1)</u>	<u>-</u>	<u>(491)</u>	<u>(2,869)</u>	<u>(2,343)</u>	<u>(5,704)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,973</u>	<u>(182)</u>	<u>1,307</u>	<u>12,592</u>	<u>339</u>	<u>16,029</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Operating Transfers In From Other Funds	-	691	10	3,079	18	3,798
Operating Transfers Out To Other Funds	-	-	(186)	-	(1,894)	(2,080)
Tax Receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>450</u>	<u>469</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>691</u>	<u>(176)</u>	<u>3,098</u>	<u>(1,426)</u>	<u>2,187</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition & Construction Of Capital Assets	-	-	(1,471)	(19,549)	(522)	(21,542)
Proceeds From Sale Of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,989</u>	<u>802</u>	<u>2,791</u>
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(1,471)</u>	<u>(17,560)</u>	<u>280</u>	<u>(18,751)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest & Dividends On Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59</u>	<u>59</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59</u>	<u>59</u>
NET INCREASE IN CASH & CASH EQUIVALENTS	1,973	509	(340)	(1,870)	(748)	(476)
CASH & CASH EQUIVALENTS JULY 1	<u>6,547</u>	<u>(509)</u>	<u>1,180</u>	<u>6,145</u>	<u>3,330</u>	<u>16,693</u>
CASH & CASH EQUIVALENTS JUNE 30	<u>\$ 8,520</u>	<u>\$ -</u>	<u>\$ 840</u>	<u>\$ 4,275</u>	<u>\$ 2,582</u>	<u>\$ 16,217</u>

continued on next page

STATE OF IOWA

(Continued)

	DEPRECIATION REVOLVING	CENTRALIZED PURCHASING REVOLVING	TELEPHONE REVOLVING	MATERIALS & EQUIPMENT REVOLVING	OTHER	TOTAL
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (346)	\$ 423	\$ 1,339	\$ 1,159	\$ (249)	\$ 2,326
Adjustments To Reconcile Operating Income To Net Cash Provided By Operating Activities						
Depreciation	-	-	656	12,754	520	13,930
Compensated Absences	-	-	-	19	16	35
(Increase) Decrease In Accounts Receivable	(69)	539	140	(21)	35	624
(Increase) Decrease In Due From Other Funds	6	(10,743)	(615)	619	(317)	(11,050)
(Increase) Decrease In Inventory	(1,306)	(39)	(28)	(931)	(179)	(2,483)
(Increase) Decrease In Prepaid Expense	-	-	(11)	-	(162)	(173)
Increase (Decrease) In Accounts Payable & Accruals	(55)	9,644	(191)	(1,021)	313	8,690
Increase (Decrease) In Due To Other Funds	500	(6)	17	14	362	887
Increase (Decrease) To Deferred Revenue	<u>3,243</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,243</u>
Net Cash Provided By Operating Activities	<u>\$ 1,973</u>	<u>\$ (182)</u>	<u>\$ 1,307</u>	<u>\$ 12,592</u>	<u>\$ 339</u>	<u>\$ 16,029</u>



Net realized income on the average Iowa farm in 1991 was \$23,868. The average farm incurred expenses of \$87,291 and had gross revenues of \$111,159.



COMBINING FINANCIAL STATEMENTS

Trust and Agency Funds

Expendable Trust Funds

Expendable Trust funds account for assets held by the State in a trustee capacity where the principal and income may be expended in the course of the funds's designated operations.

Unemployment Benefits Fund receives federal funds from unemployment benefits which are distributed in accordance with federal guidelines.

Health Insurance Premium Operating Fund receives health insurance deductions from payroll to reimburse the health carrier on behalf of covered State employees.

Health Insurance Premium Reserve Fund receives health insurance deductions from payroll to pay estimated claims that would be outstanding at the point the State discontinued to pay the health carrier on behalf of State employees.

Long-Term Disability Premium Fund receives long-term disability deductions from payroll to reimburse the disability carrier on behalf of covered State employees

Other Expendable Trust Funds, aggregated for reporting purposes, account for other miscellaneous expendable trust funds. These are generally resources given to the state through trust agreements and institutional canteens ran for the benefit of the residents/inmates.

Nonexpendable Trust Funds

Nonexpendable Trust funds account for assets held by the State in a trustee capacity where only income derived from the trust principal may be expended for designated operations. The principal must be preserved intact.

Permanent School Principal accounts for the principal derived from the sale of specific land. The interest is to be used for educational purposes.

First in the Nation Education accounts for private donations and other resources in support of research grants.

Iowa Braille and Sight Saving School accounts for gifts and bequests given for the betterment of the school.

Centennial Memorial Foundation originally received funds by selling an Iowa Centennial fifty-cent silver coin. The intention was to use the funds for the observance of the Centennial. However, the coins were received too late to fulfill the original intention. Therefore, a fund was established to recognize and encourage outstanding ability and potential leadership as a permanent observance of the Centennial.

Other Nonexpendable Trust Funds include the Albert Trust Fund, Van Velkinberg Trust Fund and the Pilot Grove Trust Fund

Pension Trust Funds

Pension Trust funds account for transactions, assets, liabilities and net assets available for plan benefits of the various State employee retirement systems. See Note 19 - Pension Plans.

Agency Funds

Agency funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the state, acting in the capacity of an agent, for distribution to other governmental units or organizations.

Pooled Money Investment Fund accounts for investment income activity for various agencies.

Centralized Payroll Trustee is used to account for accumulation of all voluntary and discretionary payroll deductions from the centralized payroll process.

Judicial-Clerks of District Court act as a collecting agency for many fees and taxes that are then distributed to the proper local government or recipient.

State of Iowa - Deferred Compensation Fund accounts for the Internal Revenue Code Section 457 compensation plan offered to employees of the State.

Other Agency Funds, aggregated for reporting purposes, represent amounts held for inmates and residents of State institutions, miscellaneous clearing accounts, and other deposits.

STATE OF IOWA

Combining Balance Sheet Trust and Agency Funds

June 30, 1993
(Expressed in Thousands)

	EXPENDABLE TRUST	NON- EXPENDABLE TRUST	PENSION TRUST	AGENCY	TOTAL
ASSETS					
Cash & Investments	\$ 691,637	\$ 7,804	\$ 6,401,621	\$ 128,650	\$ 7,229,712
Accounts Receivable (Net)	3,665	-	399,660	8,497	411,822
Interest Receivable	1	15	30,545	-	30,561
Notes Receivable	38	-	-	-	38
Unemployment Benefits Receivable (Net)	11,009	-	-	-	11,009
Due From Other Funds	13,271	2,397	-	23,034	38,702
Fixed Assets (Net)	285	-	637	-	922
Inventory	308	-	-	-	308
Prepaid Expenditures/Expenses	25	-	1,950	-	1,975
Other Assets	-	-	-	62	62
TOTAL ASSETS	<u>\$720,239</u>	<u>\$10,216</u>	<u>\$6,834,413</u>	<u>\$160,243</u>	<u>\$7,725,111</u>
LIABILITIES					
Accounts Payable & Accruals	\$ 6,841	\$ -	\$ 574,145	\$ 41,224	\$ 622,210
Due To Other Funds	655	41	-	10,194	10,890
Deferred Revenue	500	-	-	-	500
Funds Held In Custody	-	-	-	15,343	15,343
Deferred Compensation Payable	-	-	-	93,420	93,420
Other Assets In Custody	2,524	-	-	62	2,586
TOTAL LIABILITIES	<u>10,520</u>	<u>41</u>	<u>574,145</u>	<u>160,243</u>	<u>744,949</u>
FUND BALANCE					
Reserve for:					
Inventory & Prepaid Expenditure	333	-	-	-	333
Noncurrent Receivables	690	-	-	-	690
Specific Purposes	2,116	554	6,260,268	-	6,262,938
Unreserved Fund Equity	706,580	9,621	-	-	716,201
TOTAL FUND BALANCE	<u>709,719</u>	<u>10,175</u>	<u>6,260,268</u>	<u>-</u>	<u>6,980,162</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$720,239</u>	<u>\$10,216</u>	<u>\$6,834,413</u>	<u>\$160,243</u>	<u>\$7,725,111</u>

STATE OF IOWA

Combining Balance Sheet Expendable Trust Funds

June 30, 1993
(Expressed in Thousands)

	UNEMPLOYMENT BENEFITS	HEALTH INSURANCE PREMIUM OPERATING	HEALTH INSURANCE PREMIUM RESERVE	LONG-TERM DISABILITY PREMIUM	OTHER	TOTAL
ASSETS						
Cash & Investments	\$ 609,267	\$ 19,114	\$ 8,891	\$ 14,337	\$ 40,028	\$ 691,637
Accounts Receivable (Net)	2,599	521	107	-	438	3,665
Interest Receivable	-	-	-	-	1	1
Notes Receivable	-	-	-	-	38	38
Unemployment Benefits Receivable (Net)	11,009	-	-	-	-	11,009
Due From Other Funds	1,016	616	10,595	162	882	13,271
Fixed Assets	-	-	-	-	285	285
Inventory	-	-	-	-	308	308
Prepaid Expenditure	-	-	-	-	25	25
TOTAL ASSETS	<u>\$ 623,891</u>	<u>\$ 20,251</u>	<u>\$ 19,593</u>	<u>\$ 14,499</u>	<u>\$ 42,005</u>	<u>\$ 720,239</u>
LIABILITIES						
Accounts Payable & Accruals	\$ 5,550	\$ 15	\$ 88	\$ 499	\$ 689	\$ 6,841
Due To Other Funds	-	-	-	-	655	655
Deferred Revenue	409	-	-	-	91	500
Other Assets In Custody	-	-	-	-	2,524	2,524
TOTAL LIABILITIES	<u>5,959</u>	<u>15</u>	<u>88</u>	<u>499</u>	<u>3,959</u>	<u>10,520</u>
FUND BALANCE						
Reserve For:						
Inventory & Prepaid Expenditure	-	-	-	-	333	333
Noncurrent Receivables	690	-	-	-	-	690
Specific Purposes	-	-	-	-	2,116	2,116
Unreserved Fund Equity	617,242	20,236	19,505	14,000	35,597	706,580
TOTAL FUND BALANCE	<u>617,932</u>	<u>20,236</u>	<u>19,505</u>	<u>14,000</u>	<u>38,046</u>	<u>709,719</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 623,891</u>	<u>\$ 20,251</u>	<u>\$ 19,593</u>	<u>\$ 14,499</u>	<u>\$ 42,005</u>	<u>\$ 720,239</u>

STATE OF IOWA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Expendable Trust Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

	UNEMPLOYMENT BENEFITS	HEALTH INSURANCE PREMIUM OPERATING	HEALTH INSURANCE PREMIUM RESERVE	LONG-TERM DISABILITY PREMIUM	OTHER	TOTAL
REVENUES:						
Taxes	\$ 164,835	\$ -	\$ -	\$ -	\$ 6	\$ 164,841
Receipts From Other Entities	73,894	-	-	-	130	74,024
Investment Income	45,121	1,070	332	292	1,579	48,394
Fees, Licenses & Permits	-	-	-	-	200	200
Refunds &						
Reimbursements	10,650	88,757	15,059	6,006	7,236	127,708
Sales, Rents & Services	-	-	-	-	3,274	3,274
Miscellaneous	-	-	-	-	12,655	12,655
Payroll Deductions	-	-	-	-	73	73
GROSS REVENUES	294,500	89,827	15,391	6,298	25,153	431,169
Less Revenue Refunds	409	-	-	-	1,681	2,090
TOTAL REVENUES	294,091	89,827	15,391	6,298	23,472	429,079
EXPENDITURES:						
Current:						
General Government	-	86,285	11,817	5,913	8,873	112,888
Education	-	-	-	-	2,109	2,109
Health & Human Services	-	-	-	-	1,067	1,067
Law, Justice & Public	-	-	-	-	-	-
Safety	-	-	-	-	2,798	2,798
Economic/Manpower						
Development	261,291	-	-	-	203	261,494
Agriculture & Natural						
Resources	-	-	-	-	20	20
TOTAL EXPENDITURES	261,291	86,285	11,817	5,913	15,070	380,376
REVENUES OVER (UNDER)						
EXPENDITURES	32,800	3,542	3,574	385	8,402	48,703
OTHER FINANCING SOURCES (USES):						
Operating Transfers:						
Transfers In	18	-	22,379	10,000	7,260	39,657
Transfers Out	-	-	(10,379)	-	(9,542)	(19,921)
TOTAL OTHER FINANCING (USES)	18	-	12,000	10,000	(2,282)	19,736
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	32,818	3,542	15,574	10,385	6,120	68,439
FUND BALANCE JULY 1	585,114	16,694	3,931	3,615	31,928	641,280
FUND BALANCE JUNE 30	\$ 617,932	\$ 20,236	\$ 19,505	\$ 14,000	\$ 38,046	\$ 709,719

STATE OF IOWA

Combining Balance Sheet Nonexpendable Trust Funds

June 30, 1993
(Expressed in Thousands)

	PERMANENT SCHOOL PRINCIPAL	FIRST IN THE NATION EDUCATION	IOWA BRAILLE & SIGHT SAVING SCHOOL	CENTENNIAL MEMORIAL FOUNDATION	OTHER	TOTAL
ASSETS						
Cash & Investments	\$ 4,884	\$ 2,268	\$ 47	\$ 594	\$ 11	\$ 7,804
Interest Receivable	-	-	-	15	-	15
Due From Other Funds	<u>2,359</u>	<u>38</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,397</u>
TOTAL ASSETS	<u>\$ 7,243</u>	<u>\$2,306</u>	<u>\$ 47</u>	<u>\$ 609</u>	<u>\$ 11</u>	<u>\$10,216</u>
LIABILITIES						
Due To Other Funds	\$ -	\$ -	\$ 41	\$ -	\$ -	\$ 41
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>41</u>	<u>-</u>	<u>-</u>	<u>41</u>
FUND BALANCE						
Reserve For Specific Purposes	-	-	-	554	-	554
Unreserved Fund Equity	<u>7,243</u>	<u>2,306</u>	<u>6</u>	<u>55</u>	<u>11</u>	<u>9,621</u>
TOTAL FUND BALANCE	<u>7,243</u>	<u>2,306</u>	<u>6</u>	<u>609</u>	<u>11</u>	<u>10,175</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 7,243</u>	<u>\$2,306</u>	<u>\$ 47</u>	<u>\$ 609</u>	<u>\$ 11</u>	<u>\$10,216</u>

STATE OF IOWA

Combining Statement of Revenues, Expenses, and Changes in Fund Balances Nonexpendable Trust Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

	PERMANENT SCHOOL PRINCIPAL	FIRST IN THE NATION EDUCATION	IOWA BRAILLE & SIGHT SAVING SCHOOL	CENTENNIAL MEMORIAL FOUNDATION	OTHER	TOTAL
OPERATING REVENUES:						
Investment Income	\$ 122	\$ 38	\$ 4	\$ -	\$ -	\$ 164
Sales, Rents & Services	-	-	-	19	-	19
Miscellaneous	<u>44</u>	<u>339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>383</u>
TOTAL OPERATING REVENUES	<u>166</u>	<u>377</u>	<u>4</u>	<u>19</u>	<u>-</u>	<u>566</u>
OPERATING EXPENSES:						
Claims & Miscellaneous	<u>45</u>	<u>-</u>	<u>-</u>	<u>46</u>	<u>-</u>	<u>91</u>
TOTAL OPERATING EXPENSES	<u>45</u>	<u>-</u>	<u>-</u>	<u>46</u>	<u>-</u>	<u>91</u>
OPERATING INCOME (LOSS)	<u>121</u>	<u>377</u>	<u>4</u>	<u>(27)</u>	<u>-</u>	<u>475</u>
NONOPERATING REVENUES:						
Investment Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>54</u>	<u>-</u>	<u>54</u>
NET NONOPERATING REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>54</u>	<u>-</u>	<u>54</u>
INCOME BEFORE OPERATING TRANSFERS	<u>121</u>	<u>377</u>	<u>4</u>	<u>27</u>	<u>-</u>	<u>529</u>
OPERATING TRANSFERS:						
Transfers Out	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>(4)</u>
TOTAL OPERATING TRANSFERS	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>(4)</u>
NET INCOME	<u>121</u>	<u>377</u>	<u>-</u>	<u>27</u>	<u>-</u>	<u>525</u>
FUND BALANCE JULY 1	<u>7,122</u>	<u>1,929</u>	<u>6</u>	<u>582</u>	<u>11</u>	<u>9,650</u>
FUND BALANCE JUNE 30	<u>\$ 7,243</u>	<u>\$ 2,306</u>	<u>\$ 6</u>	<u>\$ 609</u>	<u>\$ 11</u>	<u>\$ 10,175</u>

STATE OF IOWA

Combining Statement of Cash Flows Nonexpendable Trust Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

	PERMANENT SCHOOL PRINCIPAL	FIRST IN THE NATION EDUCATION	IOWA BRAILLE & SIGHT SAVING SCHOOL	CENTENNIAL MEMORIAL FOUNDATION	OTHER	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received From Miscellaneous	\$ 44	\$ 339	\$ -	\$ 19	\$ -	\$ 402
Cash Payments For Other Expenses	<u>(45)</u>	<u>-</u>	<u>-</u>	<u>(46)</u>	<u>-</u>	<u>(91)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(1)</u>	<u>339</u>	<u>-</u>	<u>(27)</u>	<u>-</u>	<u>311</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest & Dividends On Investments	87	-	5	51	-	143
Proceeds From Sale & Maturities Of Investments	-	-	-	183	-	183
Purchase Of Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>(206)</u>	<u>-</u>	<u>(206)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>87</u>	<u>-</u>	<u>5</u>	<u>28</u>	<u>-</u>	<u>120</u>
NET INCREASE IN CASH & CASH EQUIVALENTS	86	339	5	1	-	431
CASH & CASH EQUIVALENTS JULY 1	<u>4,798</u>	<u>1,929</u>	<u>42</u>	<u>27</u>	<u>11</u>	<u>6,807</u>
CASH & CASH EQUIVALENTS JUNE 30	4,884	2,268	47	28	11	7,238
INVESTMENTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>566</u>	<u>-</u>	<u>566</u>
CASH & INVESTMENTS PER BALANCE SHEET	<u>\$4,884</u>	<u>\$ 2,268</u>	<u>\$47</u>	<u>\$594</u>	<u>\$ 11</u>	<u>\$ 7,804</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 121	\$ 377	\$ 4	\$ (27)	\$ -	\$ 475
Adjustments To Reconcile Operating Income To Net Cash Provided By Operating Activities						
Interest (Income)	<u>(122)</u>	<u>(38)</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>(164)</u>
Net Cash Provided By Operating Activities	<u>\$ (1)</u>	<u>\$ 339</u>	<u>\$ -</u>	<u>\$ (27)</u>	<u>\$ -</u>	<u>\$ 311</u>



Getting started in farming can be prohibitively expensive. Iowa's Beginning Farmer Loan Program makes low-cost loans available to people who want to start farming in Iowa. So far the program has accounted for 1,385 loans totalling more than \$121 million for land, equipment, breeding stock, and improvements to farmland.

STATE OF IOWA

Combining Balance Sheet Pension Trust Funds

June 30, 1993
(Expressed in Thousands)

	IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM	PEACE OFFICERS' RETIREMENT SYSTEM	JUDICIAL RETIREMENT SYSTEM	TOTAL
ASSETS				
Cash & Investments	\$ 6,278,835	\$ 100,044	\$ 22,742	\$ 6,401,621
Accounts Receivable	398,855	578	227	399,660
Interest Receivable	29,573	828	144	30,545
Fixed Assets (Net)	637	-	-	637
Prepaid Expense	<u>1,950</u>	<u>-</u>	<u>-</u>	<u>1,950</u>
TOTAL ASSETS	<u>\$ 6,709,850</u>	<u>\$ 101,450</u>	<u>\$ 23,113</u>	<u>\$ 6,834,413</u>
LIABILITIES				
Accounts Payable & Accruals	\$ 573,719	\$ 398	\$ 28	\$ 574,145
TOTAL LIABILITIES	<u>573,719</u>	<u>398</u>	<u>28</u>	<u>574,145</u>
FUND BALANCE				
Reserve For Specific Purposes	<u>6,136,131</u>	<u>101,052</u>	<u>23,085</u>	<u>6,260,268</u>
TOTAL FUND BALANCE	<u>6,136,131</u>	<u>101,052</u>	<u>23,085</u>	<u>6,260,268</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 6,709,850</u>	<u>\$ 101,450</u>	<u>\$ 23,113</u>	<u>\$ 6,834,413</u>

STATE OF IOWA

Combining Statement of Revenues, Expenses, and Changes in Fund Balances Pension Trust Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

	IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM	PEACE OFFICERS' RETIREMENT SYSTEM	JUDICIAL RETIREMENT SYSTEM	TOTAL
OPERATING REVENUES:				
Contributions	\$ 299,038	\$ 5,035	\$ 913	\$ 304,986
Investment Income	455,754	13,572	2,353	471,679
Fees, Licenses & Permits	<u>-</u>	<u>-</u>	<u>2,019</u>	<u>2,019</u>
TOTAL OPERATING REVENUES	<u>754,792</u>	<u>18,607</u>	<u>5,285</u>	<u>778,684</u>
OPERATING EXPENSES:				
General & Administrative	19,657	394	143	20,194
Benefits	222,864	4,465	2,284	229,613
Refunds	<u>22,610</u>	<u>-</u>	<u>-</u>	<u>22,610</u>
TOTAL OPERATING EXPENSES	<u>265,131</u>	<u>4,859</u>	<u>2,427</u>	<u>272,417</u>
NET INCOME	<u>489,661</u>	<u>13,748</u>	<u>2,858</u>	<u>506,267</u>
FUND BALANCE JULY 1	<u>5,646,470</u>	<u>87,304</u>	<u>20,227</u>	<u>5,754,001</u>
FUND BALANCE JUNE 30	<u>\$ 6,136,131</u>	<u>\$ 101,052</u>	<u>\$ 23,085</u>	<u>\$ 6,260,268</u>

STATE OF IOWA

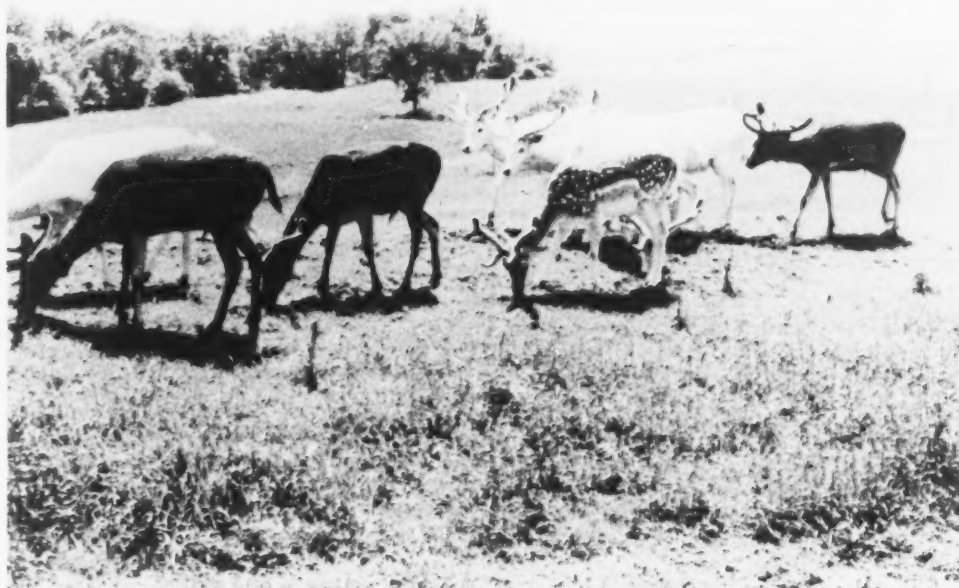
Combining Statement of Changes in Assets and Liabilities Agency Funds

For the Year Ended June 30, 1993
(Expressed in Thousands)

	BALANCE JULY 1, 1992	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1993
<u>POOLED MONEY INVESTMENT</u>				
ASSETS				
Cash & Investments	\$ 3,976	\$ 7,622	\$ 10,515	\$ 1,083
Accounts Receivable	6,206	8,385	6,206	8,385
Due From Other Funds	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL ASSETS	<u>\$ 10,183</u>	<u>\$ 16,008</u>	<u>\$ 16,722</u>	<u>\$ 9,469</u>
LIABILITIES				
Accounts Payable & Accruals	\$ 3,941	\$ 56	\$ 3,941	\$ 56
Due To Other Funds	6,242	9,400	6,242	9,400
Funds Held In Custody	<u>-</u>	<u>6,552</u>	<u>6,539</u>	<u>13</u>
TOTAL LIABILITIES	<u>\$ 10,183</u>	<u>\$ 16,008</u>	<u>\$ 16,722</u>	<u>\$ 9,469</u>
<u>CENTRALIZED PAYROLL TRUSTEE</u>				
ASSETS				
Cash & Investments	\$ 3,042	\$ 348,838	\$ 347,774	\$ 4,106
Accounts Receivable	20	18	20	18
Due From Other Funds	<u>122</u>	<u>12</u>	<u>122</u>	<u>12</u>
TOTAL ASSETS	<u>\$ 3,184</u>	<u>\$348,868</u>	<u>\$347,916</u>	<u>\$ 4,136</u>
LIABILITIES				
Accounts Payable & Accruals	\$ 1,973	\$ 2,254	\$ 1,974	\$ 2,253
Due To Other Funds	55	108	55	108
Funds Held In Custody	<u>1,156</u>	<u>346,506</u>	<u>345,887</u>	<u>1,775</u>
TOTAL LIABILITIES	<u>\$ 3,184</u>	<u>\$348,868</u>	<u>\$347,916</u>	<u>\$ 4,136</u>
<u>JUDICIAL-CLERKS OF DISTRICT COURT</u>				
ASSETS				
Cash & Investments	\$ 9,834	\$ 200,804	\$ 199,766	\$ 10,872
Other Assets	<u>62</u>	<u>-</u>	<u>-</u>	<u>62</u>
TOTAL ASSETS	<u>\$ 9,896</u>	<u>\$200,804</u>	<u>\$199,766</u>	<u>\$10,934</u>
LIABILITIES				
Accounts Payable & Accruals	\$ 9,834	\$ 200,804	\$ 199,766	\$ 10,872
Other Assets In Custody	<u>62</u>	<u>-</u>	<u>-</u>	<u>62</u>
TOTAL LIABILITIES	<u>\$ 9,896</u>	<u>\$200,804</u>	<u>\$199,766</u>	<u>\$10,934</u>

STATE OF IOWA

	BALANCE JULY 1, 1992	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1993
STATE OF IOWA - DEFERRED COMPENSATION				
ASSETS				
Cash & Investments	\$ 79,847	\$ 19,013	\$ 6,970	\$ 91,890
TOTAL ASSETS	\$ 79,847	\$ 19,013	\$ 6,970	\$ 91,890
LIABILITIES				
Deferred Compensation Payable	\$ 79,847	\$ 19,013	\$ 6,970	\$ 91,890
TOTAL LIABILITIES	\$ 79,847	\$ 19,013	\$ 6,970	\$ 91,890
OTHER AGENCY FUNDS				
ASSETS				
Cash & Investments	\$ 18,420	\$ 169,617	\$ 167,338	\$ 20,699
Accounts Receivable	3,544	387	3,837	94
Due From Other Funds	2,627	23,022	2,628	23,021
TOTAL ASSETS	\$ 24,591	\$193,026	\$173,803	\$ 43,814
LIABILITIES				
Accounts Payable & Accruals	\$ 4,960	\$ 28,013	\$ 4,930	\$ 28,043
Due To Other Funds	1,827	686	1,827	686
Funds Held In Custody	16,696	163,786	166,927	13,555
Deferred Compensation Payable	1,108	541	119	1,530
TOTAL LIABILITIES	\$ 24,591	\$193,026	\$173,803	\$ 43,814
TOTAL AGENCY FUNDS				
ASSETS				
Cash & Investments	\$ 115,119	\$ 745,894	\$ 732,363	\$ 128,650
Accounts Receivable	9,770	8,790	10,063	8,497
Due From Other Funds	2,750	23,035	2,751	23,034
Other Assets	62	-	-	62
TOTAL ASSETS	\$ 127,701	\$777,719	\$745,177	\$ 160,243
LIABILITIES				
Accounts Payable & Accruals	\$ 20,708	\$ 231,127	\$ 210,611	\$ 41,224
Due To Other Funds	8,124	10,194	8,124	10,194
Funds Held In Custody	17,852	516,844	519,353	15,343
Deferred Compensation Payable	80,955	19,554	7,089	93,420
Other Assets In Custody	62	-	-	62
TOTAL LIABILITIES	\$ 127,701	\$777,719	\$745,177	\$ 160,243



Iowa agriculture is diversifying. In addition to their principal crops, some growers are producing alternatives such as Christmas trees, apples, mushrooms, strawberries, vegetables, fallow deer, fish, and many other products.

COMBINING FINANCIAL STATEMENTS

University Funds

University funds are maintained to account for operations of public institutions of higher education. These institutions maintain their own financial records which are not a part of the central accounting system of the State. The State University of Iowa, Iowa State University and the University of Northern Iowa comprise this group.

STATE OF IOWA

Combining Balance Sheet University Funds

June 30, 1993
(Expressed in Thousands)

	<u>CURRENT FUNDS</u>		<u>LOAN FUNDS</u>	<u>ENDOWMENT & SIMILAR FUNDS</u>
	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>		
ASSETS				
Cash & Investments	\$ 132,466	\$ 12,229	\$ 4,959	\$ 45,530
Deposits With Trustee	-	-	-	-
Accounts Receivable (Net)	95,316	42,138	4	-
Interest Receivable	2,086	538	778	-
Notes Receivable (Net)	-	-	58,742	-
Due From Other Funds	10	-	-	101
Bond Issuance Costs	-	-	-	-
Fixed Assets	-	-	-	-
Inventory	37,895	-	-	-
Prepaid Expense	8,016	103	-	-
Equity In Wholly Owned Subsidiary	3,111	-	-	5,240
TOTAL ASSETS	<u>\$ 278,900</u>	<u>\$ 55,008</u>	<u>\$ 64,483</u>	<u>\$ 50,871</u>
LIABILITIES				
Accounts Payable & Accruals	\$ 56,102	\$ 7,189	\$ 1	\$ -
Due To Other Funds	111	5	-	-
Interest Payable	-	-	-	-
Deferred Revenue	15,240	-	-	-
Compensated Absences	68,226	14,937	-	-
Capital Leases	-	-	-	-
Bonds Payable	-	-	-	-
Other Financing Arrangements Payable	-	-	-	-
Funds Held In Custody	-	-	-	-
Deposits	178	-	-	-
TOTAL LIABILITIES	<u>139,857</u>	<u>22,131</u>	<u>1</u>	<u>-</u>
FUND BALANCE				
Reserve For:				
Encumbrances & Contracts	35,619	7,296	-	-
Inventory	37,895	-	-	-
Debt Service	-	-	-	-
Specific Purposes	62,372	25,581	64,482	50,135
Unreserved Fund Equity	3,157	-	-	736
Net Investment In Plant	-	-	-	-
TOTAL FUND BALANCE	<u>139,043</u>	<u>32,877</u>	<u>64,482</u>	<u>50,871</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 278,900</u>	<u>\$ 55,008</u>	<u>\$ 64,483</u>	<u>\$ 50,871</u>

STATE OF IOWA

AGENCY FUNDS	PLANT FUNDS			INVESTMENT IN PLANT	TOTAL
	UNEXPENDED	RENEWALS & REPLACEMENTS	RETIREMENT OF INDEBTEDNESS		
\$ 109,979	\$ 139,338	\$ 36,446	\$ 72,007	\$ -	\$ 552,954
908	10,173	435	21,949	-	33,465
18,936	2,327	884	9,046	-	168,651
506	132	1,025	2,283	-	7,348
-	-	-	-	-	58,742
-	-	-	5	-	116
-	31	-	-	253	284
-	45	-	-	2,263,782	2,263,827
127	-	-	-	-	38,022
9	1	61	-	-	8,190
-	-	-	-	-	8,351
<u>\$130,465</u>	<u>\$152,047</u>	<u>\$38,851</u>	<u>\$105,290</u>	<u>\$2,264,035</u>	<u>\$ 3,139,950</u>
\$ 12,686	\$ 8,774	\$ 1,327	\$ 424	\$ 993	\$ 87,496
-	-	-	-	-	116
-	-	-	15,951	-	15,951
-	-	-	4,848	-	20,088
747	46	-	-	-	83,956
-	601	-	-	29,972	30,573
-	32,727	-	21,168	452,135	506,030
-	12	60	-	6,729	6,801
117,032	-	-	-	-	117,032
-	149	-	-	-	327
<u>130,465</u>	<u>42,309</u>	<u>1,387</u>	<u>42,391</u>	<u>489,829</u>	<u>868,370</u>
-	51,618	1,641	-	-	96,174
-	-	-	-	-	37,895
-	-	-	27,343	-	27,343
-	51,651	32,941	35,556	-	322,718
-	6,469	2,882	-	-	13,244
-	-	-	-	1,774,206	1,774,206
-	<u>109,738</u>	<u>37,464</u>	<u>62,899</u>	<u>1,774,206</u>	<u>2,271,580</u>
<u>\$130,465</u>	<u>\$152,047</u>	<u>\$38,851</u>	<u>\$105,290</u>	<u>\$2,264,035</u>	<u>\$ 3,139,950</u>



Iowa farmers are able to participate in a pesticide container recycling program. Every year more than 1 million plastic pesticide containers are used in Iowa. Recycling those containers saves energy, reduces reliance on foreign energy sources and protects landfills and groundwater from contamination.



REQUIRED SUPPLEMENTAL INFORMATION

STATE OF IOWA

Iowa Public Employees' Retirement System Analysis of Funding Progress

For the Year Ended June 30, 1993
(Expressed in Thousands)

FISCAL YEAR	NET ASSETS AVAILABLE FOR BENEFITS	PENSION BENEFIT OBLIGATION	PERCENTAGE FUNDED	UNFUNDED (ASSETS IN EXCESS OF) PENSION BENEFIT OBLIGATION	ANNUAL COVERED PAYROLL	UNFUNDED PENSION BENEFIT OBLIGATION AS A PERCENTAGE OF COVERED PAYROLL
1986	\$3,062,919	\$3,230,720	94.81%	\$ 167,800	\$1,990,069	8.43%
1987	3,487,690	3,349,262	104.13%	(138,427)	2,056,213	-6.73%
1988	3,868,438	3,827,020	101.08%	(41,418)	2,203,110	-1.88%
1989	4,268,705	4,165,419	102.48%	(103,286)	2,364,099	-4.37%
1990	4,727,640	4,624,226	102.24%	(103,414)	2,504,262	-4.13%
1991	5,180,870	5,129,063	101.01%	(51,807)	2,709,183	-1.91%
1992	5,646,470	5,597,573	100.87%	(48,897)	2,857,124	-1.71%
1993	6,136,131	6,003,481	102.21%	(132,650)	3,019,374	-4.39%

Note: Annual covered payroll is the payroll subject to contributions to IPERS, and for the calendar year 1992 included up to \$34,000 per member, and \$35,000 per member in 1993. Data for 1984-1985 is not available.

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of Iowa Public Employees' Retirement System's (IPERS) funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the PERS. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of IPERS' progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

STATE OF IOWA

Iowa Public Employees' Retirement System Revenues by Source and Expenses by Type

For the Year Ended June 30, 1993
(Expressed in Thousands)

REVENUES BY SOURCE

FISCAL YEAR	EMPLOYEE CONTRIBUTIONS & CREDIT BUYBACKS	EMPLOYER CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS AS PERCENTAGE OF COVERED PAYROLL	INVESTMENT INCOME	STATE FUNDED BENEFITS	TOTAL
1984	\$ 70,928	\$106,108	-	\$207,957	\$ 6,305	\$391,298
1985	76,843	112,805	-	256,622	5,924	452,194
1986	77,703	115,239	5.79%	430,575	5,487	629,004
1987	80,201	118,370	5.76%	367,695	4,744	571,010
1988	85,801	126,946	5.76%	342,553	-	555,300
1989	90,325	132,788	5.62%	365,803	-	588,916
1990	99,386	146,475	5.85%	415,908	-	661,769
1991	109,594	157,747	5.82%	410,572	-	677,913
1992	117,590	169,069	5.92%	422,420	-	709,079
1993	122,593	176,445	5.84%	455,754	-	754,792

EXPENSES BY TYPE

FISCAL YEAR	BENEFITS	REFUNDS	ADMINISTRATIVE EXPENSES	TOTAL
1984	\$ 95,721	\$20,619	\$ 2,301	\$ 118,641
1985	107,691	25,052	2,715	135,458
1986	116,173	24,328	6,635	147,136
1987	128,002	24,738	9,421	162,161
1988	139,957	24,166	10,429	174,552
1989	155,433	23,339	9,877	188,649
1990	167,940	22,278	12,616	202,834
1991	185,709	21,760	17,214	224,683
1992	200,972	24,223	18,283	243,478
1993	222,864	22,610	19,657	265,131

STATE OF IOWA

Peace Officers' Retirement, Accident and Disability System Analysis of Funding Progress

For the Year Ended June 30, 1993
(Expressed in Thousands)

FISCAL YEAR	NET ASSETS AVAILABLE FOR BENEFITS	PENSION BENEFIT OBLIGATION	PERCENTAGE FUNDED	UNFUNDED PENSION BENEFIT OBLIGATION	ANNUAL COVERED PAYROLL	UNFUNDED PENSION OBLIGATION AS A PERCENTAGE OF COVERED PAYROLL
1986	\$ 45,480	\$ -	-	\$ -	\$ 13,282	-
1987	51,124	71,587	71.42%	20,463	13,675	149.64%
1988	57,146	79,139	72.21%	21,993	15,079	145.85%
1989	63,208	85,709	73.75%	22,501	15,896	141.55%
1990	70,006	106,236	65.90%	36,230	17,682	204.90%
1991	78,501	111,333	70.50%	32,832	18,488	177.59%
1992	87,304	118,572	73.62%	31,268	19,387	161.28%
1993	101,052	124,279	81.31%	23,227	20,293	114.45%

Note: The actuarially determined benefit obligation is not available for years prior to 1987.

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of Peace Officers' Retirement, Accident and Disability System's (POR) funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of POR's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage the stronger the system.

STATE OF IOWA

Peace Officers' Retirement, Accident and Disability System Revenues by Source and Expenses by Type

For the Year Ended June 30, 1993
(Expressed in Thousands)

REVENUES BY SOURCE

FISCAL YEAR	EMPLOYER CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	EMPLOYEE CONTRIBUTIONS	INVESTMENT INCOME	TOTAL
1984	\$ 1,988	-	\$ 397	\$ 3,807	\$ 6,192
1985	2,091	-	406	4,187	6,684
1986	2,194	16.52%	425	4,467	7,086
1987	2,214	16.19%	429	5,315	7,958
1988	2,458	16.30%	479	5,764	8,701
1989	2,575	16.20%	499	6,036	9,110
1990	2,752	15.56%	542	6,920	10,214
1991	3,243	17.54%	1,081	8,093	12,417
1992	3,340	17.22%	1,127	8,655	13,122
1993	3,649	17.98%	1,386	13,572	18,607

EXPENSES BY TYPE

FISCAL YEAR	ANNUITIES & PENSIONS	ADMINISTRATIVE EXPENSES	TOTAL
1984	\$ 1,515	\$ 40	\$ 1,555
1985	1,694	60	1,754
1986	1,871	96	1,967
1987	2,203	111	2,314
1988	2,556	123	2,679
1989	2,882	166	3,048
1990	3,187	230	3,417
1991	3,623	300	3,923
1992	3,959	360	4,319
1993	4,465	394	4,859

STATE OF IOWA

Judicial Retirement System Analysis of Funding Progress

For the Year Ended June 30, 1993
(Expressed in Thousands)

FISCAL YEAR	NET ASSETS AVAILABLE FOR BENEFITS	PENSION BENEFIT OBLIGATION	PERCENTAGE FUNDED	UNFUNDED PENSION BENEFIT OBLIGATION	ANNUAL COVERED PAYROLL	UNFUNDED PENSION OBLIGATION AS A PERCENTAGE OF COVERED PAYROLL
1984	\$ 4,717	\$ -	-	\$ -	\$ 6,307	-
1985	6,011	-	-	-	9,682	-
1986	7,568	-	-	-	8,285	-
1987	9,321	-	-	-	7,945	-
1988	11,177	30,000	37.26%	18,823	8,759	214.90%
1989	13,464	33,500	40.20%	20,036	9,853	203.35%
1990	15,571	34,800	44.74%	19,229	11,238	171.00%
1991	17,981	38,700	46.50%	20,719	12,086	171.42%
1992	20,227	43,600	46.39%	23,373	12,402	188.45%
1993	23,085	47,800	48.30%	24,715	13,042	189.49%

Note: For fiscal years 1984-1987 the Pension Benefit Obligation and the Unfunded Pension Benefit obligation is not available.

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of Judicial Retirement System's (JRS) funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of JRS' progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage the stronger the system.

STATE OF IOWA

Judicial Retirement System Revenue by Source and Expenses by Type

For the Year Ended June 30, 1993
(Expressed in Thousands)

REVENUES BY SOURCE

FISCAL YEAR	MEMBER CONTRI- BUTIONS	EMPLOYER CONTRI- BUTIONS	EMPLOYER CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	INVESTMENT INCOME	FILING FEES	TOTAL
1984	\$252	\$ 189	3.00%	\$ 388	\$ 1,069	\$ 1,898
1985	442	235	2.43%	511	1,218	2,406
1986	343	237	2.86%	522	1,751	2,853
1987	318	238	3.00%	566	2,026	3,148
1988	349	263	3.00%	733	2,005	3,350
1989	394	296	3.00%	1,157	2,098	3,945
1990	450	337	3.00%	1,129	2,178	4,094
1991	483	363	3.00%	1,240	2,335	4,421
1992	496	372	3.00%	1,448	2,040	4,356
1993	522	391	3.00%	2,353	2,019	5,285

EXPENSES BY TYPE

FISCAL YEAR	ANNUITY BENEFITS	ADMINISTRATIVE EXPENSES	REFUNDS	TOTAL
1984	\$ 1,039	\$ -	\$ -	\$ 1,039
1985	1,113	-	-	1,113
1986	1,262	5	29	1,296
1987	1,321	26	48	1,395
1988	1,442	52	-	1,494
1989	1,569	89	-	1,658
1990	1,890	97	-	1,987
1991	1,897	114	-	2,011
1992	1,993	117	-	2,110
1993	2,284	143	-	2,427



Iowa farmers are concerned about preserving the rich natural resources of their state. Nearly one half of Iowa's row cropland is planted using conservation tillage techniques. By 1995, 11,530 miles of terraces will have been constructed on Iowa farmland, and Iowa farmers are ahead of schedule in protecting their most erodible land. So far, their efforts have slowed erosion of valuable farm land by several tons an acre every year.

SUPPLEMENTAL INFORMATION

STATE OF IOWA

Schedule of Revenues by Source General Fund

For the Year Ended June 30, 1993
(Expressed in Thousands)

	GENERAL GOVERNMENT	EDUCATION	HEALTH & HUMAN SERVICES	TRANSPORTATION
TAXES				
Beer Tax	\$ 12,468	\$ -	\$ -	\$ -
Cigarette Tax	90,671	-	-	-
Tobacco Products Tax	4,009	-	-	-
Inheritance Tax	76,874	-	-	-
Monies & Credits	563	-	-	-
Insurance Premium Tax	96,506	-	-	-
Liquor Tax	2	-	-	-
Use Tax	301,278	-	-	-
Fuel Tax	350,279	-	-	13,148
Wagering Tax	13,154	-	-	-
Franchise Tax	31,669	-	-	-
Income Tax-Corporate	224,183	-	-	-
Income Tax-Individual	1,693,564	-	-	-
Sales Tax	1,012,505	-	-	5
Other Taxes	748	-	-	-
TOTAL TAXES	3,908,473	-	-	13,153
Less Refunds	302,589	-	-	-
NET TAXES	3,605,884	-	-	13,153
RECEIPTS FROM OTHER ENTITIES				
Federal Support	13,597	197,361	917,586	262,207
Local Governments	65,291	6,273	33,820	3,016
Other States	-	-	-	9,222
Intra-State Reimbursements	1,476	146	-	71
TOTAL RECEIPTS FROM OTHER ENTITIES	80,364	203,780	951,406	274,516
INVESTMENT INCOME				
Interest	31,370	2,208	108	217
Bonds & Loans	2,299	-	-	-
TOTAL INVESTMENT INCOME	33,669	2,208	108	217
FEES, LICENSES & PERMITS				
Fees, Licenses & Permits	331,913	2,383	155	1,888
TOTAL FEES, LICENSES & PERMITS	331,913	2,383	155	1,888
REFUNDS & REIMBURSEMENTS				
Refunds & Reimbursements	31,024	7,368	72,552	5,312
TOTAL REFUNDS & REIMBURSEMENTS	31,024	7,368	72,552	5,312
SALES, RENTS & SERVICES				
Sale Of Real Estate	-	-	8	986
Sale Of Equipment & Salvage	27	8	-	-
Rents & Leases	-	19	1,039	25
Agricultural Sales	-	14	2	-
Other Sales & Services	68	215	45	-
TOTAL SALES, RENTS & SERVICES	95	256	1,094	1,011
MISCELLANEOUS				
Unearned Receipts	468	1,800	4,637	-
Other	8,755	117	15,197	2,129
TOTAL MISCELLANEOUS	9,223	1,917	19,834	2,129
Less Refunds	10,335	270	16,787	12,285
TOTAL REVENUE BY SOURCE	\$ 4,081,837	\$ 217,842	\$ 1,028,362	\$ 285,941

STATE OF IOWA

LAW, JUSTICE & PUBLIC SAFETY	ECONOMIC/ MANPOWER DEVELOPMENT	REGULATION OF BUSINESS	AGRICULTURE & NATURAL RESOURCES	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ 12,475
-	-	-	-	90,671
-	-	-	-	4,009
-	-	-	-	76,874
-	-	-	-	563
-	-	-	-	96,506
-	8	-	-	10
1,947	-	-	-	303,225
-	-	-	-	363,427
-	-	-	-	13,154
-	-	-	-	31,669
-	-	-	-	224,183
65	-	-	-	1,693,629
-	-	-	-	1,012,510
-	6,433	-	-	7,181
<u>2,012</u>	<u>6,448</u>	-	-	<u>3,930,086</u>
-	-	-	-	302,589
<u>2,012</u>	<u>6,448</u>	-	-	<u>3,627,497</u>
19,195	83,742	-	20,007	1,513,695
1,432	71	-	-	109,903
-	84	-	-	9,306
1,175	174	-	7	3,049
<u>21,802</u>	<u>84,071</u>	-	<u>20,014</u>	<u>1,635,953</u>
197	519	34	1,399	36,052
-	138	-	-	2,437
<u>197</u>	<u>657</u>	<u>34</u>	<u>1,399</u>	<u>36,489</u>
1,480	273	2,883	31,021	371,996
<u>1,480</u>	<u>273</u>	<u>2,883</u>	<u>31,021</u>	<u>371,996</u>
3,854	69	224	2,769	123,172
<u>3,854</u>	<u>69</u>	<u>224</u>	<u>2,769</u>	<u>123,172</u>
67	-	-	-	1,061
164	-	-	81	280
277	-	-	1,655	3,015
-	-	-	118	134
12	-	9	2,312	2,661
<u>520</u>	-	<u>9</u>	<u>4,166</u>	<u>7,151</u>
218	17	-	26	7,166
2,399	732	-	4,935	34,264
<u>2,617</u>	<u>749</u>	-	<u>4,961</u>	<u>41,430</u>
22	10	-	2,501	42,210
<u>\$ 32,460</u>	<u>\$ 92,257</u>	<u>\$ 3,150</u>	<u>\$ 61,829</u>	<u>\$ 5,803,478</u>

STATE OF IOWA

Schedule of Expenditures by Function and Department General Fund

For the Year Ended June 30, 1993
(Expressed in Thousands)

	PERSONAL SERVICES	TRAVEL & SUBSISTENCE	SUPPLIES	CONTRACTUAL SERVICES
GENERAL GOVERNMENT				
Auditor Of State	\$ 4,777	\$ 187	\$ 51	\$ 226
Campaign Finance Disclosure Comm.	230	4	24	9
Executive Council	-	-	106	80
General Services	11,165	87	569	8,972
Governor	1,276	59	135	86
Legislative House	5,115	753	332	130
Legislative Senate	3,057	422	224	107
Legislative Joint Expense	10	7	4	418
Legislative Citizens' Aide	532	13	11	20
Legislative Computer Support	432	15	6	842
Legislative Fiscal Bureau	1,242	18	50	71
Legislative Service Bureau	2,419	28	918	34
Administrative Rules	70	11	-	1
Management	1,439	25	120	2,128
Personnel	3,447	75	171	737
Revenue And Finance	21,119	379	2,012	3,361
Secretary Of State	1,453	6	144	401
Office Of State Federal Relations	181	13	22	34
Governors Substance Abuse	353	15	23	2,207
Treasurer Of State	1,034	24	66	1,721
Underground Storage Tanks	-	2	-	23,866
Uniform State Laws	-	4	13	-
TOTAL GENERAL GOVERNMENT	59,351	2,147	5,001	45,451
EDUCATION				
Cultural Affairs	3,095	57	354	503
Education	11,543	494	1,385	3,500
Education, Voc Rehab	13,837	187	348	2,227
College Aid	1,409	28	155	3,944
Education, IPT	4,894	146	1,624	8,272
Regents, Board Of	913	75	46	396
Iowa Braille & Sight Saving School	3,050	95	293	162
Iowa School For The Deaf	5,298	39	368	433
TOTAL EDUCATION	44,039	1,121	4,573	19,437
HEALTH & HUMAN SERVICES				
Blind, Department For The	3,539	155	111	829
Civil Rights Commission	1,083	13	72	117
Elder Affairs	1,147	42	46	62
Human Rights	2,212	83	123	48,507
Human Services Administration	13,816	217	3,037	5,543
Human Services Community Serv.	78,826	1,784	1,197	5,610
Human Services Toledo	4,191	13	271	311
Human Services Eldora	7,078	24	612	951
Human Services Cherokee	12,558	37	759	1,149
Human Services Clarinda	5,321	16	638	536
Human Services Independence	15,522	65	771	1,421
Human Services Mt. Pleasant	3,649	7	91	829
Human Services Glenwood	32,832	247	2,085	1,565
Human Services Woodward	27,888	180	2,043	1,414
Human Services Assistance	82	105	28	21,600
Public Health	11,705	530	20,796	50,390
Veterans Affairs	22,598	130	2,622	2,836
TOTAL HEALTH & HUMAN SERVICES	244,047	3,648	35,302	143,870
TRANSPORTATION				
Transportation	141,256	18,365	27,138	75,294
Transportation Capitals	-	-	-	-
TOTAL TRANSPORTATION	141,256	18,365	27,138	75,294

STATE OF IOWA

EQUIPMENT & REPAIRS	CLAIMS & MISCELLANEOUS	LICENSES PERMITS & REFUNDS	STATE AID	PLANT IMPROVEMENTS	TOTAL
S 12	S 2	S -	S -	S -	S 5,255
2	-	-	-	-	269
-	35	-	-	-	221
162	371	-	-	-	21,326
-	4	-	15	-	1,575
32	-	-	-	-	6,362
28	-	-	-	-	3,838
-	-	-	-	-	439
2	-	-	-	-	578
-	-	-	-	-	1,295
18	1	-	-	-	1,400
109	-	-	-	-	3,508
-	-	-	-	-	82
5	2,695	12	33	-	6,457
15	11,197	-	-	-	15,642
132	196	555	213,916	-	241,670
-	-	-	-	-	2,004
2	-	-	-	-	252
-	-	-	-	-	2,598
28	12,041	-	286,542	-	301,456
-	6,629	-	-	-	30,497
-	-	-	-	-	17
<u>547</u>	<u>33,171</u>	<u>567</u>	<u>500,506</u>	<u>-</u>	<u>646,741</u>
6	-	-	2,587	-	6,602
174	14	-	1,554,787	-	1,571,897
188	-	-	8,290	-	25,077
38	-	-	57,182	-	62,756
609	10	-	-	-	15,555
4	-	-	-	-	1,434
117	-	-	-	29	3,746
120	-	-	-	356	6,614
<u>1,256</u>	<u>24</u>	<u>-</u>	<u>1,622,846</u>	<u>385</u>	<u>1,693,681</u>
77	9	-	1,956	-	6,676
42	-	-	-	-	1,327
1	12	-	14,754	-	16,064
6	-	-	13	-	50,944
677	292	-	390	-	23,972
393	105	-	-	-	87,915
19	44	-	-	172	5,021
21	13	1	-	-	8,700
589	4	17	-	-	15,113
85	-	-	-	-	6,596
309	4	-	-	-	18,092
534	-	-	23	-	5,133
113	330	-	-	-	37,172
493	5	-	-	-	32,023
95	2,083	-	1,211,322	-	1,235,315
525	127	-	631	-	84,704
531	28	62	2	-	28,809
<u>4,510</u>	<u>3,056</u>	<u>80</u>	<u>1,229,091</u>	<u>172</u>	<u>1,663,576</u>
2,259	1,521	236	-	411,522	677,591
-	-	-	-	626	626
<u>2,259</u>	<u>1,521</u>	<u>236</u>	<u>-</u>	<u>412,148</u>	<u>678,217</u>

continued on next page

STATE OF IOWA

Schedule of Expenditures by Function and Department General Fund

(continued)

	PERSONAL SERVICES	TRAVEL & SUBSISTENCE	SUPPLIES	CONTRACTUAL SERVICES
LAW, JUSTICE & PUBLIC SAFETY				
Attorney General	\$ 9,060	\$ 154	\$ 280	\$ 2,147
Attorney General, Pros. Atty.	294	21	60	42
Consumer Advocate	1,619	20	44	234
CBC District I	5,575	59	332	480
CBC District II	3,918	77	112	620
CBC District III	2,377	41	100	315
CBC District IV	1,805	26	112	205
CBC District V	6,023	82	475	1,865
CBC District VI	5,183	60	381	462
CBC District VII	3,618	49	250	525
CBC District VIII	2,692	56	227	499
CBC Statewide	-	9	4	56
Corrections Central Office	1,564	50	39	856
Corrections Training Academy	272	6	34	33
Corrections Fort Madison	17,944	93	2,012	2,627
Corrections Anamosa	14,059	59	2,192	832
Corrections Oakdale	11,791	56	1,234	1,049
Corrections Newton	3,166	62	431	517
Corrections Mt. Pleasant	9,268	51	1,305	1,348
Corrections Rockwell City	2,949	27	604	368
Corrections Clarinda	4,756	29	499	298
Corrections Mitchellville	3,836	-	431	665
Inspections & Appeals	9,860	555	203	10,881
State Public Defender	6,093	96	191	867
Racing Commission	1,158	57	64	349
Judicial Department	69,472	1,099	3,091	3,808
Law Enforcement Academy	927	29	61	141
Parole Board	674	20	17	31
Public Defense	7,357	227	803	3,377
Public Defense, Emergency Management	27	-	-	-
Public Safety	37,357	3,430	1,469	5,425
TOTAL LAW, JUSTICE & PUBLIC SAFETY	244,694	6,600	17,057	40,922
ECONOMIC/MANPOWER DEVELOPMENT				
Economic Development	6,980	511	1,546	56,015
Finance Authority	-	-	-	-
INTERNET	-	-	-	-
Wallace Technology Transfer Foundation	267	37	11	145
Employment Services	35,641	783	1,359	8,984
Public Employment Relations	598	24	23	75
TOTAL ECONOMIC/MANPOWER DEVELOPMENT	43,486	1,355	2,939	65,219
REGULATION OF BUSINESS				
Commerce	997	1	7	64
Alcoholic Beverages	489	27	33	156
Banking	4,235	319	77	165
Credit Union	685	67	12	46
Insurance	3,802	134	131	327
Professional Licensing	469	58	67	137
Utilities	3,773	106	78	787
TOTAL REGULATION OF BUSINESS	14,450	712	405	1,682
AGRICULTURE & NATURAL RESOURCES				
Agriculture & Land Stewardship	10,272	602	554	2,494
AG. Soil Conservation	5,989	168	242	7,533
Natural Resources	34,293	2,360	3,931	7,327
TOTAL AGRICULTURE & NATURAL RESOURCES	50,554	3,130	4,727	17,354
TOTAL EXPENDITURES	\$ 841,877	\$ 37,078	\$ 97,142	\$ 409,029

STATE OF IOWA

EQUIPMENT & REPAIRS	CLAIMS & MISCELLANEOUS	LICENSES PERMITS & REFUNDS	STATE AID	PLANT IMPROVEMENTS	TOTAL
\$ 19	\$ 359	\$ 4	\$ 2,394	\$ -	\$ 14,417
-	-	-	321	-	738
1	-	-	-	-	1,918
80	326	-	-	-	6,852
115	103	-	-	28	4,973
50	236	-	-	-	3,119
51	132	-	-	-	2,331
326	150	-	-	29	8,950
447	51	-	-	267	6,851
19	69	-	-	16	4,546
60	22	-	1	45	3,602
19	-	-	673	-	761
1	3,700	-	-	-	6,210
19	-	-	-	-	364
112	398	-	-	-	23,186
101	454	-	-	-	17,697
204	138	-	-	-	14,472
203	113	-	-	-	4,492
310	314	-	-	-	12,596
173	111	-	-	-	4,232
54	164	-	-	-	5,800
151	95	-	-	-	5,178
7	4	184	134	-	21,828
20	-	-	-	-	7,267
19	-	-	-	-	1,647
258	1	8	1,669	-	79,406
25	-	-	-	-	1,183
-	-	-	-	-	742
115	2	3	5,142	577	17,603
-	-	-	188	-	215
<u>1,952</u>	<u>751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,384</u>
<u>4,911</u>	<u>7,693</u>	<u>199</u>	<u>10,522</u>	<u>962</u>	<u>333,560</u>
32	3,673	-	3,766	-	72,523
-	-	-	1,000	-	1,000
-	-	-	783	-	783
-	-	-	1,878	-	2,338
294	142	25	124	-	47,352
<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>730</u>
<u>336</u>	<u>3,815</u>	<u>25</u>	<u>7,551</u>	<u>-</u>	<u>124,726</u>
20	-	-	-	-	1,089
-	1	-	-	-	706
1	-	-	-	-	4,797
9	-	-	-	-	819
16	-	-	-	-	4,410
-	-	-	-	-	731
<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,752</u>
<u>54</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,304</u>
47	280	-	915	-	15,164
355	12	-	218	-	14,517
<u>1,559</u>	<u>453</u>	<u>1</u>	<u>6,582</u>	<u>397</u>	<u>56,903</u>
<u>1,961</u>	<u>745</u>	<u>1</u>	<u>7,715</u>	<u>397</u>	<u>86,584</u>
<u>\$15,834</u>	<u>\$ 50,026</u>	<u>\$ 1,108</u>	<u>\$ 3,378,231</u>	<u>\$ 414,064</u>	<u>\$5,244,389</u>



Water quality is a top priority with Iowa farmers. Farmers have reduced their use of nitrogen by almost 19 percent since 1985 and are also reducing their reliance on chemicals. Careful monitoring of actual crop needs, education and demonstration programs have allowed farmers to reduce their chemical usage and maintain or even improve yields.

STATISTICAL



STATE OF IOWA

Revenues By Source All Governmental Fund Types

For the Last Ten Years
(Expressed in Thousands)

	1984	1985	1986	1987
Taxes	\$ 1,949,536	\$ 2,041,046	\$ 2,095,696	\$ 2,313,997
Receipts From Other				
Entities	1,583,563	1,653,382	1,804,550	1,916,658
Investment Income	6,426	34,160	65,148	55,529
Fees, Licenses & Permits	48,927	46,185	49,834	46,927
Refunds & Reimbursements	85,404	85,661	77,580	57,100
Sales, Rents & Services	60,373	57,835	52,246	43,410
Miscellaneous	11,871	14,676	17,371	19,991
Centralized Payroll	-	-	-	-
GROSS REVENUES	3,746,100	3,932,945	4,162,425	4,453,612
Less Revenue Refunds	-	-	-	-
TOTAL REVENUES	<u>\$ 3,746,100</u>	<u>\$ 3,932,945</u>	<u>\$ 4,162,425</u>	<u>\$ 4,453,612</u>

Expenditures By Function All Governmental Fund Types

For the Last Nine Years
(Expressed in Thousands)

	1984	1985	1986	1987
Current:				
General Government	\$ 547,928	\$ 555,777	\$ 636,399	\$ 814,436
Education	1,211,396	1,321,955	1,318,674	1,404,305
Health & Human Services	817,032	864,278	942,026	1,045,934
Transportation	620,631	678,725	678,186	648,473
Law, Justice & Public				
Safety	145,999	154,363	161,603	195,312
Economic/Manpower				
Development	139,351	140,214	134,731	121,119
Regulation Of Business	29,997	32,470	40,487	3,811
Agriculture & Natural				
Resources	127,023	127,268	124,821	98,065
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 3,639,357</u>	<u>\$ 3,875,050</u>	<u>\$ 4,036,927</u>	<u>\$ 4,331,455</u>

Notes: The data for the years 1984 - 1988 is from the Iowa Financial Accounting System, Non-GAAP Budgetary Basis.

Revenue refunds for the years 1984 - 1988 are included in expenditures.

The data for 1989 - 1993 is shown on a GAAP basis.

Capital Outlay expenditures are included in Current expenditures for the years 1984-1989.

STATE OF IOWA

1988	1989	1990	1991	1992	1993
\$ 2,457,843	\$ 3,155,954	\$ 3,283,148	\$ 3,421,727	\$ 3,561,640	\$ 3,930,086
2,003,097	1,212,545	1,239,519	1,426,861	1,568,305	1,639,784
41,871	44,413	59,207	72,427	50,220	38,701
45,389	263,357	288,837	307,959	350,525	372,433
54,680	135,411	147,531	153,558	102,239	123,395
27,737	6,304	6,088	6,338	7,380	7,151
20,362	14,749	17,631	19,131	33,791	41,482
-	-	-	-	1	-
4,650,979	4,832,733	5,041,961	5,408,001	5,674,101	6,153,032
-	254,020	277,111	276,454	300,187	344,799
<u>\$ 4,650,979</u>	<u>\$ 4,578,713</u>	<u>\$ 4,764,850</u>	<u>\$ 5,131,547</u>	<u>\$ 5,373,914</u>	<u>\$ 5,808,233</u>

1988	1989	1990	1991	1992	1993
\$ 702,765	\$ 420,893	\$ 607,248	\$ 638,721	\$ 645,410	\$ 646,760
1,577,381	1,354,349	1,383,346	1,546,853	1,609,339	1,693,681
1,117,557	1,203,986	1,336,965	1,541,385	1,563,059	1,663,576
691,278	807,300	539,150	652,186	735,443	678,217
226,534	- 238,102	273,137	300,128	317,395	333,560
131,708	115,782	133,091	132,348	129,215	124,726
3,344	9	9	3	18,564	17,304
110,760	84,584	82,740	87,451	85,511	86,584
-	-	26,508	34,339	43,375	24,331
<u>\$ 4,561,327</u>	<u>\$ 4,225,005</u>	<u>\$ 4,382,194</u>	<u>\$ 4,933,414</u>	<u>\$ 5,147,311</u>	<u>\$ 5,268,739</u>

STATE OF IOWA

Public Education For the Last Ten Years

Public School Enrollment

GRADES	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
K - 8	324,848	319,006	315,061	313,308	316,943	321,196	326,531	331,862	334,429	335,306
9 - 12	155,675	153,832	152,134	148,292	142,417	135,913	132,797	131,397	135,744	138,705
Special Education	17,039	18,086	18,481	19,605	19,499	19,662	18,882	20,137	21,278	21,331
TOTAL	<u>497,562</u>	<u>490,924</u>	<u>485,676</u>	<u>481,205</u>	<u>478,859</u>	<u>476,771</u>	<u>478,210</u>	<u>483,396</u>	<u>491,451</u>	<u>495,342</u>

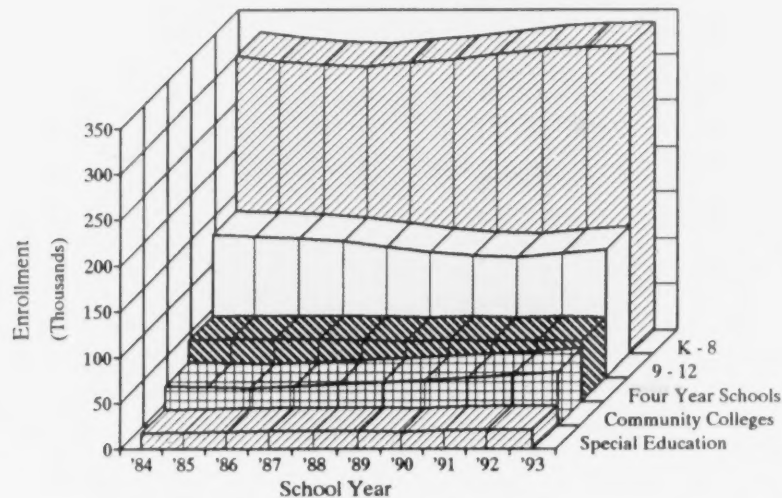
Public Higher Education Enrollment

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Four Year Schools	66,823	67,194	67,694	67,512	66,271	66,150	66,210	66,022	66,294	65,771
Community Colleges	<u>41,820</u>	<u>40,953</u>	<u>40,858</u>	<u>42,164</u>	<u>44,703</u>	<u>46,336</u>	<u>49,351</u>	<u>51,428</u>	<u>54,160</u>	<u>57,652</u>
TOTAL	<u>108,643</u>	<u>108,147</u>	<u>108,552</u>	<u>109,676</u>	<u>110,974</u>	<u>112,486</u>	<u>115,561</u>	<u>117,450</u>	<u>120,454</u>	<u>123,423</u>

Notes: Public School enrollment is based on a headcount taken on the third Friday of September.
Community College enrollment includes full-time and part-time students.

Sources: Iowa Department of Education.
Iowa Board of Regents.

Public Education Enrollment Ten-Year Comparison



STATE OF IOWA

EMPLOYMENT BY INDUSTRY

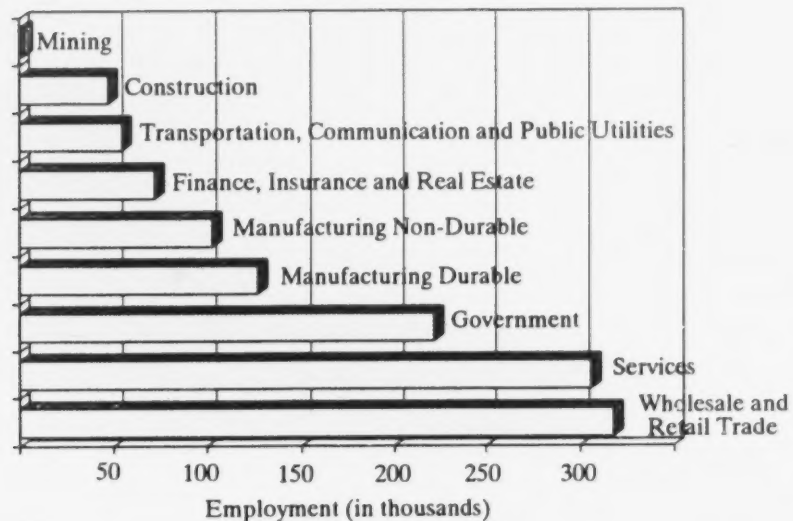
For the Last Ten Years
(Expressed in Thousands)

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Manufacturing Durable	114.8	123.5	117.4	114.5	123.9	132.2	134.3	131.9	128.8	126.8
Manufacturing Non-Durable	87.5	88.4	87.3	87.2	89.6	95.1	99.7	103.9	103.5	103.1
Mining	1.9	2.0	2.1	2.0	2.2	2.2	2.0	2.0	2.1	2.1
Construction	35.9	38.7	36.6	35.2	35.6	38.0	40.5	44.9	45.6	47.3
Transportation, Communication and Public Utilities	51.3	51.5	52.1	51.5	52.7	54.4	55.7	55.9	55.2	54.5
Wholesale and Retail Trade	268.7	277.1	276.6	274.3	282.3	294.6	306.4	308.0	312.4	317.5
Finance, Insurance and Real Estate	59.8	61.9	62.8	63.3	64.5	66.1	68.4	69.3	71.8	72.4
Services	217.1	227.1	232.5	238.5	248.1	261.4	276.1	288.6	296.8	306.1
Government	203.4	204.5	206.8	207.3	210.2	211.9	217.0	219.6	220.3	221.6
TOTAL NON- AGRICULTURAL WAGE AND SALARY EMPLOYEES	<u>1,040.4</u>	<u>1,074.7</u>	<u>1,074.2</u>	<u>1,073.8</u>	<u>1,109.1</u>	<u>1,155.9</u>	<u>1,200.1</u>	<u>1,224.1</u>	<u>1,236.5</u>	<u>1,251.4</u>

Note: An employed individual is counted in the area where he/she works regardless of the area where he/she lives.

Source: Iowa Department of Employment Services, Labor Market Information Unit, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Employment by Industry - 1992
(Non-Agricultural)



STATE OF IOWA
TEN LARGEST NONGOVERNMENTAL EMPLOYERS

RANK	EMPLOYER	TYPE OF BUSINESS
1	Hy-Vee Food Stores, Inc.	Retail Food
2	Deere and Company	Machinery Manufacturer
3	Rockwell International	Machinery Manufacturer
4	Wal-Mart Stores, Inc.	Retail General Merchandise
5	Principal Mutual Life Insurance Co.	Insurance Carrier
6	Iowa Beef Processors, Inc.	Meat Packer
7	Sisters Of Mercy Health Corp.	Hospital
8	Iowa Methodist Medical Center	Hospital/Des Moines
9	K-Mart Corp.	Retail General Merchandise
10	Mercy Hospital Medical Center	Hospital/Des Moines

Note: Based on December 1992 employment

Source: Iowa Department of Employment Services.

STATE OF IOWA

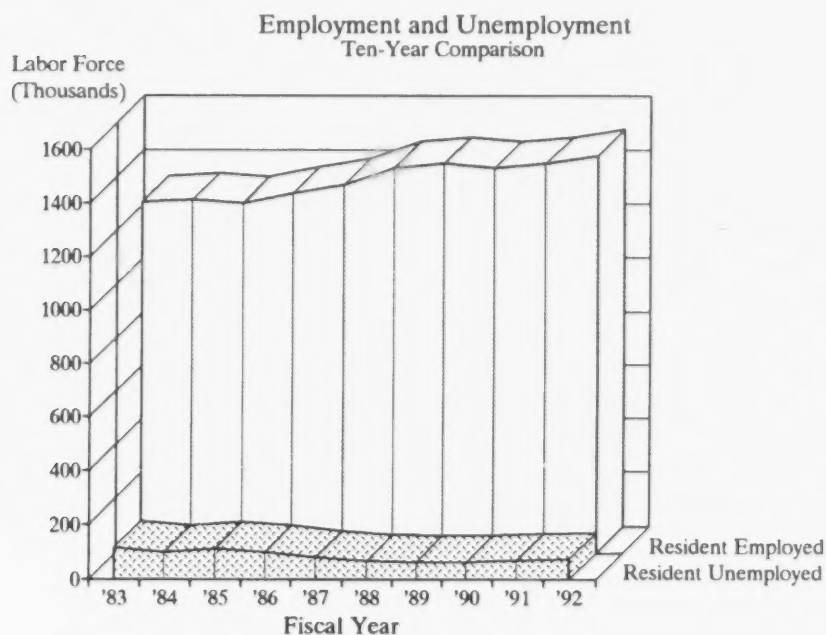
LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Annual Averages

For the Last Ten Years
(Expressed in Thousands)

	RESIDENT CIVILIAN LABOR FORCE	RESIDENT EMPLOYMENT	RESIDENT UNEMPLOYED	PERCENT UNEMPLOYED
1983	1,420.0	1,305.0	115.0	8.1
1984	1,412.0	1,313.0	99.0	7.0
1985	1,412.0	1,300.0	112.0	8.0
1986	1,439.0	1,338.0	101.0	7.0
1987	1,449.0	1,369.0	80.0	5.5
1988	1,500.0	1,433.0	67.0	4.5
1989	1,513.0	1,448.0	65.0	4.3
1990	1,496.0	1,433.0	63.0	4.2
1991	1,517.0	1,447.0	70.0	4.6
1992	1,551.0	1,479.0	72.0	4.6

Source: Iowa Department of Employment Services, Labor Market Information Unit in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.



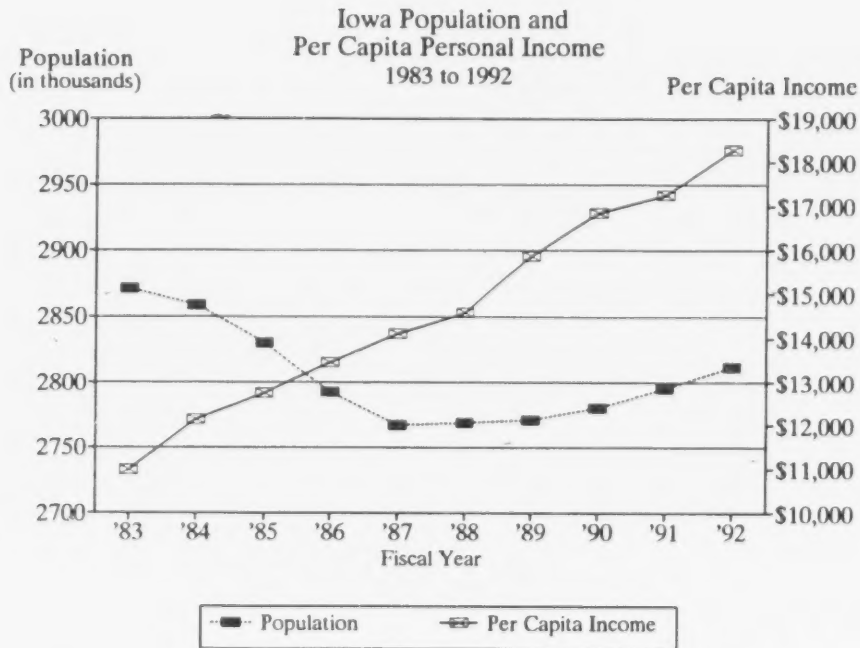
STATE OF IOWA

POPULATION, TOTAL PERSONAL INCOME, AND PER CAPITA PERSONAL INCOME

For the Last Ten Years

	POPULATION (Expressed in Thousands)	TOTAL PERSONAL INCOME (Expressed in Millions)	PER CAPITA PERSONAL INCOME (Expressed in Dollars)
1983	2,871	\$ 31,526	\$ 10,982
1984	2,859	34,747	12,154
1985	2,830	36,073	12,747
1986	2,792	37,573	13,456
1987	2,767	39,072	14,119
1988	2,769	40,384	14,586
1989	2,771	43,947	15,862
1990	2,780	46,842	16,848
1991	2,795	48,224	17,251
1992	2,812	51,432	18,287

Sources: Iowa Department of Employment Services.
Iowa Department of Economic Development.



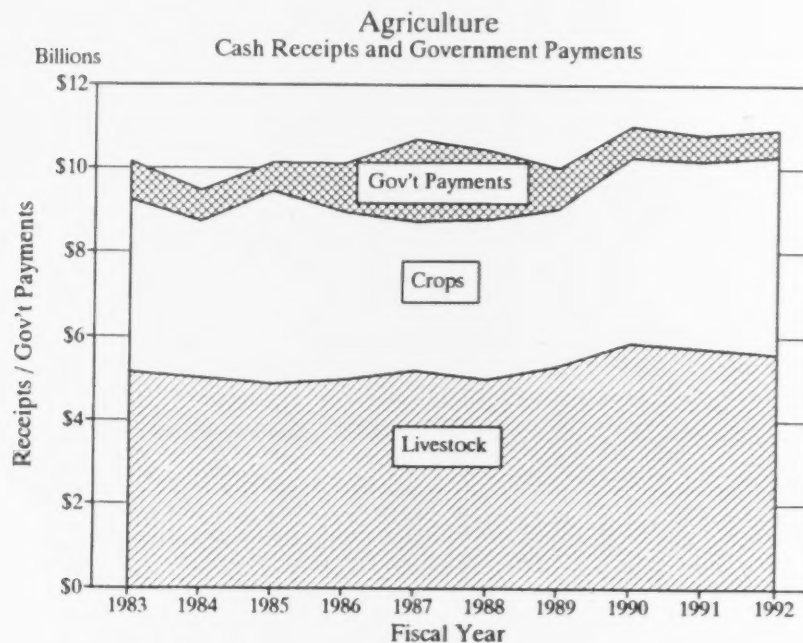
STATE OF IOWA

AGRICULTURE Cash Receipts and Government Payments

For the Last Ten Years
(Expressed in Millions)

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Cattle	\$ 1,881.2	\$ 1,757.2	\$ 1,748.5	\$ 1,717.9	\$ 1,917.8	\$ 1,922.6	\$ 2,104.6	\$ 2,065.5	\$ 2,057.4	\$ 2,070.7
Hogs	2,562.2	2,580.9	2,474.3	2,629.4	2,689.7	2,407.5	2,421.0	2,989.0	2,916.5	2,740.9
Dairy Products	518.0	473.0	480.7	450.0	425.9	461.4	537.2	549.3	482.7	522.2
Other Livestock	178.9	203.5	179.6	183.8	168.3	196.3	230.2	258.7	263.8	259.6
TOTAL LIVESTOCK	5,140.3	5,014.6	4,883.1	4,981.1	5,201.7	4,987.8	5,293.0	5,862.5	5,720.4	5,563.4
Corn	1,975.2	1,609.4	2,775.6	2,366.2	1,662.5	1,586.3	1,781.9	2,422.9	2,521.0	2,577.9
Soybeans	2,003.8	1,942.3	1,629.6	1,490.1	1,689.4	2,016.0	1,724.8	1,788.5	1,824.8	1,918.0
Other Crops	123.1	173.6	164.2	140.8	211.1	185.0	248.5	205.1	183.4	219.7
TOTAL CROPS	4,102.1	3,725.3	4,569.4	3,997.1	3,563.0	3,787.3	3,755.2	4,416.5	4,529.2	4,715.6
Total Cash Receipts from Crops and Livestock	9,242.4	8,739.9	9,452.5	8,978.2	8,764.7	8,775.1	9,048.2	10,279.0	10,249.6	10,309.0
Government Payments	925.9	742.8	691.1	1,161.2	1,987.7	1,665.0	981.2	753.7	645.0	662.3
Total Cash Receipts and Government Payments	\$10,168.3	\$ 9,482.7	\$10,143.6	\$10,139.4	\$10,752.4	\$10,440.1	\$10,029.4	\$11,032.7	\$10,894.6	\$10,971.3

Sources: U.S. Department of Agriculture, Economic Research Service.



STATE OF IOWA

REVENUE BOND COVERAGE

For the Last Ten Years
(Expressed in Thousands)

IOWA FINANCE AUTHORITY

FISCAL YEAR ENDED JUNE 30	GROSS REVENUES	DIRECT OPERATING EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
1984	\$ 37,683.5	\$ -	\$ 37,683.5	\$19,730.0	\$ 17,000.4	\$ 36,730.4	1.03
1985	48,831.1	36.2	48,794.9	12,755.0	32,014.0	44,769.0	1.09
1986	55,217.9	221.5	54,996.4	14,405.0	38,418.2	52,823.2	1.04
1987	123,585.0	266.0	123,319.0	82,199.3	33,938.3	116,137.6	1.06
1988	66,828.4	272.5	66,555.9	30,905.0	30,776.9	61,681.9	1.08
1989	66,586.2	280.8	66,305.4	31,090.0	33,546.3	64,636.3	1.03
1990	76,800.3	448.8	76,351.5	27,850.0	40,633.1	68,483.1	1.11
1991	82,574.1	556.0	82,018.1	33,770.0	38,976.3	72,746.3	1.13
1992	105,130.5	626.6	104,503.9	42,115.0	39,489.6	81,604.6	1.28
1993	117,365.2	825.6	116,539.6	76,705.0	38,896.3	115,601.3	1.01

IOWA HIGHER EDUCATION LOAN AUTHORITY

FISCAL YEAR ENDED JUNE 30	GROSS REVENUES	DIRECT OPERATING EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
1985	\$ 1,052.3	\$ 12.9	\$ 1,039.4	\$ -	\$ 854.5	\$ 854.5	1.22
1986	3,873.0	63.3	3,809.7	-	3,680.6	3,680.6	1.03
1987	5,367.1	84.6	5,282.5	-	5,134.2	5,134.2	1.03
1988	4,832.8	89.8	4,743.0	-	4,563.3	4,563.3	1.04
1989	5,604.8	87.4	5,517.4	-	5,418.4	5,418.4	1.02
1990	5,224.7	125.4	5,099.3	-	5,084.6	5,084.6	1.00
1991	4,675.6	128.7	4,546.9	-	4,537.1	4,537.1	1.00
1992	3,826.3	83.1	3,743.2	-	3,520.6	3,520.6	1.06
1993	3,531.9	114.4	3,417.5	-	3,233.3	3,233.3	1.06

Notes: Gross Revenue and Principal amounts for the Iowa Finance Authority include unexpended bond proceeds used to redeem bonds. Iowa Higher Education Loan Authority first issued bonds in 1984.

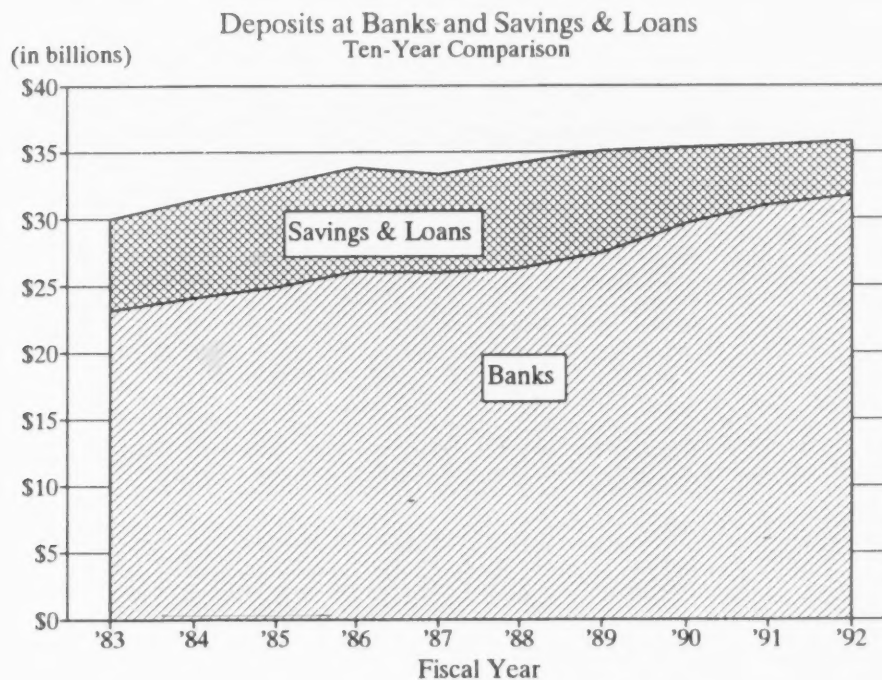
STATE OF IOWA

BANK and SAVINGS & LOAN DEPOSITS

For the Last Ten Years
(Expressed in Millions)

	BANKS		SAVINGS & LOANS		TOTAL DEPOSITS
	NUMBER	DEPOSITS	NUMBER	DEPOSITS	
1983	642	\$23,143.3	55	\$6,894.1	\$30,037.4
1984	633	\$24,070.0	52	\$7,356.4	\$31,426.4
1985	626	\$24,906.6	52	\$7,748.7	\$32,655.3
1986	615	\$26,038.9	52	\$7,792.7	\$33,831.6
1987	597	\$25,975.5	50	\$7,373.7	\$33,349.2
1988	586	\$26,321.4	45	\$7,970.5	\$34,291.9
1989	576	\$27,449.0	44	\$7,626.8	\$35,075.8
1990	565	\$29,686.0	38	\$5,736.4	\$35,422.4
1991	561	\$31,054.8	34	\$4,532.7	\$35,587.5
1992	542	\$31,665.0	31	\$4,166.7	\$35,831.7

Sources: Federal Home Loan Bank.
Federal Deposit Insurance Corporation.
Iowa Department of Commerce, Banking Division.



ACKNOWLEDGEMENTS

Report Prepared by State of Iowa

Department of Revenue and Finance - **Gerald D. Bair**, Director
Financial Management Division - **Eldon Sperry**, Administrator
GAAP Implementation Section - **Calvin McKelvogue**, Supervisor
Marilyn Hanson, CPA
Richard Schoeppner, CPA
Lisa Dooly, CPA

Additional Assistance Provided by

Department of Agriculture and Land Stewardship
Cover, Cutlines - **Jack Ratekin**

Auditor of State
Word Processing Support - **Donna Davis**
Judy Finchum

Department of General Services
Computer Support - **Joy Cruchelow**
Printing - **Kristi Little**

Department of Revenue and Finance
Graphic Coordinator - **Brian Bemisdarfer**
Printing Coordinator - **Connie Caligiuri**



Iowa Department of Revenue and Finance
Hoover State Office Building
Des Moines, Iowa 50319
(515) 281-4877

